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NEWS SUMMARY

GENERAL

Poland purges 50,000 in party

Poland's Communist party suspended or expelled about 50,000 members last month for failing to toe the party line.

Notting Hill alert

Extra police were on standby in London's Notting Hill after Tuesday night's disturbances.

Uister: two die

Two died and a policeman and two others were hurt in a car bomb blast outside a restaurant in Magherafelt, Co. Fermanagh.

Spadolini stays

Italy's socialist party backed down on threats to leave the coalition government, averting its immediate downfall.

Soweto arrests

Johannesburg security police arrested 11 in a swoop on the black township of Soweto.

Zulu challenge

The leader of 5m Zulus called on the South African Government to outline the future of homelands such as KwaZulu.

EEC jobless fall

The number of jobless in the EEC fell to 10.6m, leaving 9.3 per cent of the EEC workforce unemployed.

Training call

CSI lined up with the TUC in recommending that training should be available to all school-leavers, not just the unemployed.

Bonn attacks BBC

West Germany attacked as untrue a BBC TV programme alleging Bonn had provided Argentina with nuclear bomb technology.

Malaysia poll

Malaysia's 6m voters go to the polls in parliamentary and state elections today.

Victim's £8,500

Yorkshire ripper attack survivor Maureen Lang was awarded £8,500 damages in the High Court for the injuries she suffered.

Rome art raid

Early 19th-century objects, worth about £904,000, were stolen from a Rome apartment which housed one of Italy's biggest private art collections.

Plan blossoms

The Government is set to hand over control of Kew Gardens, a top tourist attraction, to a board of trustees.

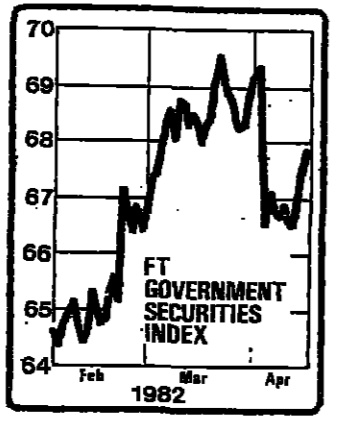
Briefly

American poet Archibald MacLeish, 90, died in Boston, U.S. Actor Stanley Holloway, who died in January, left estate worth £93,172 net.

BUSINESS

Equities up 4.8; gilts add 0.42

EQUITIES moved ahead in fairly low trade volume on optimism about the Falklands.



The Government Securities Index added 0.42 to 67.87.

STERLING rose to \$1.772, up 75 points, DM 4.25 (DM 4.235).

DOLLAR rose to ¥243.25 (¥242.8) and SwFr 1.9575 (SwFr 1.948).

GOLD rose \$0.75 to \$343.5 in London.

WALL STREET was 2.1 up at 842.66 near the close.

PENSION FUNDS would have done better to invest in UK equities than those overseas.

TRADE TALKS between the EEC, Japan, the U.S. and Canada are scheduled for Paris next month.

UNDERLYING annual rise of earnings is at a four-year low and economic indicators point to a further rise in activity over the next 12 months.

U.S. GROSS national product fell at an annual rate of 3.9 per cent in the first quarter.

AIRLINES serving the UK are cautiously optimistic that the air travel recession may be past its worst.

GUS agrees bid for Empire

GREAT UNIVERSAL Stores agreed a bid worth £37m for Empire Stores (Bradford).

AMERICAN AIRLINES made a first-quarter loss of \$41.6m (£24m) compared with a \$3.9m profit in the same period last year.

HAWKER SIDDELEY, electrical and mechanical engineer, lifted 1981 taxable profits £8.1m to £12.1m.

DELTA engineering and metals, reported pre-tax profits down at £12.66m (£19.59m) in the year to January 2.

At least 25 die as Israel bombs Palestinians in Lebanon

ISRAELI AIRCRAFT bombed Palestinian positions in Lebanon yesterday killing at least 25 people.

The attacks were the sharpest violation yet of the Lebanon ceasefire agreed last summer, and came only hours after the Israeli Cabinet confirmed that it would return the final slice of Sinai to Egypt on April 25.

Mr Francis Pym, the Foreign Secretary yesterday attempted to intensify pressure on Argentina when he stressed the UK's willingness to use armed force in the dispute if necessary.

The London financial markets were again cautiously optimistic yesterday about chances for a peaceful outcome in the Falklands dispute.

UK ready to use force Pym warns Argentina

BRITAIN'S DOCKERS may stage further strikes over proposed cuts in the board which runs their statutory employment scheme.

AUEW may back other candidates

MODERATE LEADERS of the Amalgamated Union of Engineering Workers are considering changes in the union's rules.

where units of the Syrian Arab deterrent force are. The radio called on the public to stay off the streets and go to air raid shelters.

Hours later waves of aircraft struck an area from the outskirts of Beirut to Damour, five miles down the southern coastline.

Sharp fall in Opec production

TOTAL production of the Organisation of Petroleum Exporting Countries has fallen sharply to an estimated 15.85m barrels a day.

Despite some relaxation of tension over Nigeria, concern emerged at yesterday's meeting about pressure on two other producers, Libya and Ecuador.

SDP paper favours incomes policy

THE Social Democratic Party's first detailed policy statement next month will propose a permanent incomes policy as part of a phased programme of economic expansion.

The SDP is proposing a programme for expansion. First, there would be a series of measures to help particular groups such as the young, women, and the long-term unemployed.

Any further expansion would be made explicitly dependent on success in tackling the problem of inflation.



CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various commodities like flour, sugar, and metals.

CONTENTS

Table of contents listing sections like Hong Kong's future, Economic viewpoint, Foreign affairs, etc.

Ports face further strike action

THE Transport and General Workers' Union held an emergency delegate conference of its docks group yesterday.

THE Act set no deadline for a new scheme, however, and the Conservative Government has been unwilling to make a move which could provoke opposition from the cold storage business and from employers in non-scheme ports.

Sanctions not needed, Page 4

Table showing exchange rates for £ in New York, April 20, and Previous.

Advertisement for Blackwood Hodge earthmoving equipment, featuring a large image of a bulldozer and text: 'Wherever it's being... excavated, shifted, levelled, crushed, graded, compacted or transported...'.



AMERICAN NEWS

AT & T critics call for changes in break-up pact

BY PAUL BETTS IN NEW YORK

RESTRUCTURING and break-up of American Telephone and Telegraph, the dominant U.S. telephone company and the world's largest in terms of assets, has run into a chorus of criticism from Government regulators as well as business, financial and public interest groups. These concerns, and various proposals to modify the settlement between the Justice Department and the company reached at the beginning of the year, have been filed with the federal judge who was conducting the Justice Department's protracted anti-trust case against AT and T, commonly known as the Bell system. Following the settlement whereby AT and T agreed to divest itself of its local telephone operating companies in return for being allowed to enter non-regulated communications markets such as data processing, the agreement was open for 80 days of public comment and all comments will be submitted to the federal judge who must make the final decision on whether to approve the consent decree between the Justice Department and the company which forms the basis of the settlement. change was suggested by the Federal Communications Commission, the Government agency which regulates the communications industry. The Commission wants to take the settlement even further by

allowing the local telephone companies which AT and T will share to enter into non-regulated markets. At present, these companies can only operate regulated telephone services. This could become a controversial issue because the Justice Department which has 15 days to reply to the public comments, agreed to the settlement on the basis that AT and T divest itself of its local telephone monopolies. It is unclear at this stage whether the department would be willing to extend the business activities of these 22 local companies into unregulated areas. Although most comments regard the settlement as a good starting point for the restructuring of the telecommunications industry, many parties are worried that the agreement favours AT & T too heavily. They feel that the restructuring of the company should be subjected to continuing judicial review with opportunities for public criticism to safeguard the interests of the general public. One of the hottest issues arises from anxiety that the break-up of the Bell system will lead to much higher local telephone rates. At the same time, AT & T competitors are worried that the new telephone and telecommunications giant could still enjoy a competitive edge in both its traditional telephone market and in the new data processing markets.

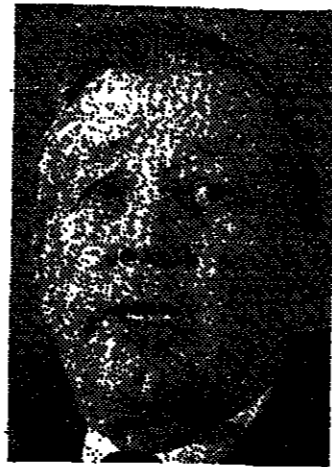
Anatole Kaletsky examines political Washington's preoccupation with budget negotiations Signs of rude awakening for Reaganomic faithful

THERE IS a strangely rarified and abstract air about the economic preoccupations of Washington's politicians. With less than six months to go before a Congressional election in which economics will be the dominant, if not the only, issue, opinion polls are unanimous in indicating that unemployment and interest rates are the U.S. public's overwhelming concerns.

Yet in Washington, unemployment statistics and the gyrations of the money markets make little impression. Only the Byzantine negotiations over the budget seem capable of capturing the politicians' imaginations, even though most of them are totally unable to explain what, if any, is the connection between the latest twists in the budget saga and their constituents' bank balances, jobs and mortgages.

The connection is indeed a rather tenuous one, as many economists—including such conservatives as Professor Milton Friedman, not to mention Mr Donald Regan, the Treasury Secretary—have often pointed out. The progress of the Budget negotiations themselves suggest that there is only a loose linkage between budget numbers and economic and political reality.

For it is becoming evident that even the most draconian spending cuts and tax increases are unlikely to reduce the deficit to below \$100bn (£57bn). A budget compromise falling well short of the aims of the Reagan administration on cuts in social spending and well below the demands of the fiscal conserva-



Donald Regan: 'tenuous link with political reality'

tives for tax increases and reductions in military spending could now be hailed as a triumph for fiscal responsibility. For it would be compared with the horrific alternative of a budget deficit of \$180bn. This, as Mr Anthony Solomon of the Federal Reserve Bank of New York pointed out this week, means a total Treasury deficit of over \$200bn, after taking account of "off-budget" items. Yet most U.S. politicians and, judging from the opinion polls, much of the public, seem to believe that if only the President and Congress can agree on a budget—almost any budget—the magic of Reaganomics can be left to take care of the economy's more palpable troubles. If and when the budget con-

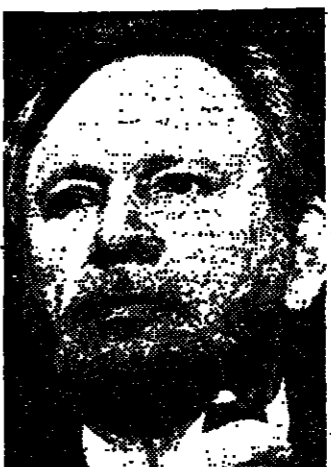
trovery is over, the U.S. may suffer a rude awakening judging by the expectations of almost all professional economists. The trouble is that, apart from the deep structural problems of declining industries and low productivity growth, monetary policy is unlikely to permit the rapid and sustained recovery in output which the U.S. public, and President Reagan himself, appear to be expecting.

As the Brookings Institution report on the 1983 budget, released this week, points out: "In the coming years output and employment may increase for brief periods, but any sustained expansion is likely to be choked off by rising interest rates as credit demands run up against tight monetary targets."

Brookings propose a far-reaching deficit reduction plan, involving a 12 per cent surcharge on personal taxes, a slowdown in the rearmament programme, a value added tax, a big increase in energy taxes and a reduction in social security pensions, all of which together would be enough to eliminate a 1983 budget deficit which, on present policies, they project at \$230bn. However, the Brookings editor, Mr Joseph Pechman, believes that reducing the deficit to \$80bn would suffice to relieve pressure on the credit markets. But even then, the sustained economic growth, properly balanced between sectors of the economy with varying degrees of sensitivity to interest rates, would still be impossible without a

relaxation of the Fed's monetary targets. It is not surprising to find Brookings, which is the spiritual home of the U.S. liberal, Keynesian establishment, arguing for a relaxation of monetary policy, to be offset by more emphasis on fiscal measures. A demand for the Fed to loosen the monetary straitjacket in exchange for a tightening of fiscal policy is now more or less the official economic policy of the Democrats.

At the other end of the political spectrum, among the staunchly conservative supply siders, the conviction has also been growing that tight monetary policy has cheated them, and the taxpayers of the nation, of the chance to reap the rewards of President Reagan's bold commitment to cutting taxes. To the supply siders, the growth rates of 3 or 4 per cent per annum which the Fed believes to be compatible with monetary targets on relatively favourable assumptions about inflationary expectations, make a mockery of the whole Reagan experiment. The essence of Reaganomics was, the supply siders believe, to cut through the Gordian Knot of oppressive taxes, painful spending cuts and soaring deficits by achieving unprecedentedly rapid growth rates. Monetary targets which appear to rule out even the 5 1/2 per cent growth rate enjoyed in the 1961-66 economic recovery are what



Anthony Solomon: total Treasury deficit of \$200bn feared

supply siders blame for the excessive deficits which the computer models project for the mid-1980s. This is why Congressman Jack Kemp, the leading supply sider in Congress, has called repeatedly for the abolition of monetary targets and, if necessary, the resignation of Mr Paul Volcker, the Fed chairman. This leads us back to deficits. Both left and right can argue convincingly that it is tight monetary policy and the persistence of recession that is the main underlying cause of horrific deficit projections. Why else, they ask, does the U.S. suddenly find itself unable to afford an adequate defence force and social security system with-

out raising the already heavy burden of taxes? The supply siders tend to ask this question rhetorically. The liberals, who believe in economic models—fed it into computers. The leading liberal economist in Congress, Mr Henry Reuss, chairman of the Joint Economic Committee did this and found that a moderate relaxation in monetary targets would make it possible to cut the deficit by \$55bn below the figure budgeted by President Reagan, without the President's cuts in social spending and with a slowdown in military spending and tax reform which would, on their own have yielded only puny savings.

Mr Reuss has recently professed to the constitutional experts that Congress has the legal capacity to instruct the Fed to change its policies. The Fed admits that it is only with respect to the President that it enjoys its cherished "political independence." Indeed, according to Congressional officials, Mr Volcker takes the whole issue of Congressional pressure sufficiently seriously to have personally telephoned every member of the House Banking Committee before a recent debate on inserting a clause on monetary policy into a resolution on the budget. If the economy fails to pick up after a compromise of some kind has been patched together on the budget, the potential coalition between liberals and conservatives could yet assert itself against monetary restriction.

Dockers' Soviet boycott broke federal law

BY OUR NEW YORK STAFF

THE U.S. Supreme Court has ruled that the International Longshoremen's Association, the dockers' union, violated federal law by refusing to handle Soviet cargo from January 1980 to June 1981 in protest against the Soviet Union's invasion of Afghanistan. The union is now expected to face a series of expensive damage claims from a number of companies.

The Supreme Court decision involved a suit by Allied International, a Massachusetts-based wood importer which had sued for damages of more than \$10m because the union refused to supply dockers to unload wood shipments from the Soviet Union at Boston harbour. The court's unanimous ruling against the union was based on the so-called labour-management relations act which prohibits secondary boycotts

Weinberger gives arms warning

NEW YORK — The Soviet Union has better nuclear weapons than the U.S. and Kremlin leaders are beginning to think they could win a nuclear war, Mr Caspar Weinberger, U.S. Defence Secretary, said before making a defence speech to the Council on Foreign Relations. The U.S. must rearm on a massive scale because "no one knows how much time we have," he added. The Defence Secretary rejected increasing calls from prominent Republicans and Democrats that the defence budget be scaled down because of domestic economic

difficulties. "This is a dangerous decade and delay is too dangerous. We have no more time to lose," Mr Weinberger went on, outlining what he termed Soviet superiority in nuclear and conventional forces. The Soviet Union—"the only imperialist power on earth"—was now in the fifth generation of nuclear missile production and their missiles had "a higher degree of accuracy than ours." "We have a great deal of evidence that the Soviets are increasingly coming to believe that a nuclear war is winnable. This is a new factor." The Defence Secretary cited

the Soviet Union's major civil defence effort, hardening of missile silos and extensive nuclear warhead production. The Soviet Union had improved the accuracy, yield, range and variety of its nuclear weapons to reach the margin of superiority which President Reagan said they now possessed. U.S. military strength had faltered in the 1970s. The Soviet Union "now has the power and reach to challenge our interests almost anywhere." Vice-President George Bush yesterday accused the Soviet Union of spurning repeated attempts to end the nuclear weapons race. Agencies

Mexico cuts budget by further 5%

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO HAS slashed a further 5 per cent off its 3.28 billion (million million) peso budget (\$1bn) in a new austerity plan designed to deal with the severe balance of payments problems brought about by falling oil revenues and a high spending. The extra cut of 164bn pesos follows a 3 per cent cut made after the currency was floated in February. The total budget reduction is now 262.6bn pesos. Sr Jesus Silva Herzog, the Finance Minister, also announced that public and private sector imports will

be reduced by a total of \$6bn (£3.4bn) over last year's \$23bn. The Government has not spelled out how it will make the cuts. There are already tight licensing and tariff controls which could be tightened further. The Minister said the aim was to reduce the public sector deficit from last year's 12.5 per cent of gross domestic product to 9.5 per cent. The Finance and Budget Ministries and the Central Bank now work much more closely on the budget and are adamant that no spending overruns will be allowed. Sr Silva Herzog said the

public sector additional net foreign borrowing requirement would remain at \$1bn to bring the year-end overall total to \$59.7bn. The latest measures may still prove insufficient, given the degree to which the Government has made revenue sacrifices to satisfy wage demands. Last month after the devaluation, the Government granted a tax-free extra wage increase of between 10 per cent and 30 per cent over and above a 34 per cent rise in minimum wage decreed in January.

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OVERSEAS NEWS

David Dodwell, in Kuala Lumpur, reviews the effects of the expected outcome of Malaysia's General Election

Mahathir's plans get green light

MALAYSIA'S General Election today has been hailed as "the most important election since independence" by an Asian diplomat who said "it is being used to give Dr Mahathir the green light for far-reaching changes."

have taken the spring out of Malaysia's once-buoyant economy. At the same time, Dr Mahathir seems intent on strengthening central control of Malaysia's state governments—reversing a 20-year trend towards a devolution of power.



Men in a hurry: Dr Mahathir and Daruk Musa Hitam.

More recently he managed an impressive coup by wooing into Umno the charismatic leader of the Moslem youth movement, Anwar Ibrahim. Parti Islam had for some time been wooing Anwar, and Dr Mahathir's success was a significant blow.

Sanctions not needed, Opec decides

BY RICHARD JOHNS IN VIENNA

A MINISTERIAL committee of the Organisation of Petroleum Exporting Countries, set up last month to monitor the market and production levels, decided yesterday that no sanctions were needed at present against oil companies which had reduced purchases from Nigeria.

Serious concern emerged however at its meeting about pressure on two other producers, Ecuador and Libya, which might jeopardise the \$34 reference price which Opec is determined to defend.

The compares with the organisation's ceiling of 17.5m b/d. Saudi Arabia has expressed willingness to lower its limit from 7m b/d but such a measure might be ineffectual because its output is already said to have fallen to about 6.5m b/d.

JAPANESE ALUMINIUM COMPANIES' LOSSES Smelting industry faces closure rout

BY RICHARD C. HANSON IN TOKYO

WHAT WAS supposed to be an orderly retreat for one of Japan's most depressed industries, aluminium smelting, is fast turning into an industrial rout.

This means that Japan is operating at less than half its already pared down capacity of 1.1m tonnes per year. In the 12 months, ended March 31, Japan imported about 1m tonnes of foreign produced ingots to help supply about 1.6m tonnes of domestic demand.

Botswana seeks aid to fight severe drought

BY BERNARD SIMON IN JOHANNESBURG

BOTSWANA has asked for international aid to help combat the effects of the country's worst drought in recent years.

THE FALKLANDS CRISIS

Embargo buffets shaky Argentine economy

BY ANDREW WHITLEY IN BUENOS AIRES



Argentine soldiers on the Falklands.

WITHIN HOURS of the news that Argentine Marines had landed on the Falkland Islands lines of anxious customers formed inside branches of the Bank of London and South America (Bolsa) on the mainland.

Old hands have not been rattled by the run on deposits, pointing out that the banking crisis two years ago was much more severe. Closures among the many Buenos Aires finance houses which offer interest rates 20 or 30 points above the going rate for speculative, short term money, are a regular event.

ing 98 per cent of local needs, even in the event of a long siege, there should be no serious disruption. The vehicle industry has one of the highest rates of self-sufficiency in the world, importing certain components only because of the high cost of local alternatives.

MEPs row over resolution

BEHIND-THE-SCENES lobbying yesterday by the Conservative Government may have robbed the UK of the virtually unanimous backing of the European Parliament over the Falklands crisis.

Confusion over escrow account

CITY OF LONDON bankers have begun openly to dispute reports that Argentina has set up an escrow account in New York to cover debt service payments due to British banks because of the current assets freeze.

Britain's ambassador plays to the U.S. crowd

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

Government, Sir Nicholas tells the Americans, understands that a mediator must try to remain neutral, but President Reagan is said to be upset by the British public's anti-American mood.

replaced by Sir Anthony Parsons, the current British Ambassador to the United States. He is unique in Foreign history in having dodged around the mandatory provision of retirement at 60.

Sir Nicholas Henderson 26-hour day

from his days in Bonn and Paris, but at least he says his American "performance" is a great relief to do "in your own lingua"

WORLD TRADE NEWS

India wins share of £83m deal from Saudi Arabia

By K. K. SHARMA IN NEW DELHI

THE Saudi Arabian Government has awarded a \$150m (£83m) contract to the Indian Overseas Construction Consortium...

During talks with the Saudis, Mrs Gandhi informed them of investment opportunities for India and Saudi Arabia in each other's countries.

The Saudis have promised to invest in India, and this should help in attracting petrodollars

Four-way trade talks scheduled for Paris

By Giles Merritt in Brussels

The European Commission announced in Brussels yesterday that a further round of the "quadrilateral" ministerial trade talks first held in Key Biscayne, Florida, early this year...

The talks are intended as a semi-formal forum for defusing tensions between Japan and its main trading partners, and it is expected that the Paris session will attempt to tackle or clarify several deteriorating trade issues...

But although the trade imbalance between Japan and the other countries represented at the "quadrilateral" talks is this year expected to worsen to a gap of approaching \$40bn, it is unclear what the mid-May Paris talks can hope to achieve.

The EEC has lately begun Gatt action against Japan over its failure to increase its imports from the Community.

French exports: time to pass the cheese

BY TERRY DODSWORTH IN PARIS

M PIERRE MARTIN, principal architect of an improbable yet successful scheme to sell French yoghurt to the Japanese, is scouring France to find a similarly motivated Camembert cheese producer.

He has not had much success so far, and he is not surprised. French industrialists, he argues, are on the whole unwilling to take up the challenge of selling to the Japanese.

M Martin's views are based on 20 years of work in Japan. The unorthodox school of thought in France—M Martin is by no means alone—contends that the biggest fallings lie on the French side.

Like other Western manufacturers, these critics argue, French companies suffer from a mixture of intellectual and commercial inflexibility that has given them a false appreciation of Japan and the Far East.

"The image we have of Japan being impenetrable to Western products is creating a vicious circle," says M Henri Claude Bettegnes, professor at the Insead business school's Euro-Asia centre.

The yoghurt deal, involving France's leading food manufacturer, BSN-Gervais-Danone, is a good case of a company ignoring the received wisdom and catching a trend in Japan.

helped a number of other French companies with similar projects, believes there could be many more if French (and Western) companies were prepared to make the effort to learn from Japan.

There are only about 100 French companies in Japan, with 300 French businessmen and 20 Japanese speakers. By contrast, there are probably about 2,000 Japanese businessmen in France, he says.

This indictment of French industry is a far cry from the official Government position. Faced with a rapidly increasing deficit with Japan—up to FFR 8.3bn last year, from FFR 7bn in 1980 and only about FFR 1bn in 1974—the Government is pressing Japan for trade concessions and continuing with the preceding administration's policy of defending

threatened sectors. There has been no attempt by the new Socialist Government to lift the unofficial 3 per cent limit on Japanese car imports to France.

But some French companies are beginning to spread the Japanese gospel by taking over methods learned in Japan. Peugeot's conversion to the use of quality circles and job enrichment techniques is a case in point.

Against this background the French Government is now moving towards a policy aimed at improving the competitive edge of French industry, while increasing co-operative links between the two countries and helping French companies in Japan.

At least this link of different elements in the trading relationship is a significant advance on the jingoistic attitude which

characterised the last administration's approach to Japan.

The West has consistently underestimated Japan, says M de Bettegnes. "In the 1960s, the Europeans were not interested and argued that the Japanese were only copiers. Then in 1973 they said the oil crisis would topple the Japanese economy. Now they believe that the economic miracle cannot last because of the rise in expectations of Japanese workers."

Yet the Japanese economy has shown a continued capacity for stronger growth, higher employment and better industrial restructuring than the West's. To continue to hope that Japan will go bust is ridiculous. It will have the capacity to readjust, innovate and improve its technology for some time to come.

Japanese fund decides pay-outs for projects in Iran

BY RICHARD C. HANSON IN TOKYO

THE JAPANESE Government's investment insurance fund has decided today to pay out ¥1.2bn (£27.6m) to companies involved in two projects in Iran. This is the first pay-out since the Iranian revolution sparked a wave of nationalisation and the Iran-Iraq war brought some projects to a halt.

Three investors in a copper mining project, Minikan, which started in 1972, were awarded ¥200m in damages. C. Itoh Mitsui Mining and Tos Zinc, which held a 33.3 per cent share in the project, had claimed about ¥400m in debts piling up since the outbreak of the Iran-Iraq war.

The payouts are modest compared with the possible claims which may still come out of Iranian ventures. There is no word on what will happen finally to Japan's biggest investment in Iran, the war-damaged multibillion-dollar petrochemical project at Bandar Khomeini.

The Japanese partners, led by Mitsui, have yet to file a claim with the Ministry of International Trade and Industry's insurance division. Mitsui considers the complex, which has been bombed several times by Iraq, to be non-viable, and is preparing to pull out of its investment. Iran, however, insists on carrying on. The two sides will hold another round of talks in May.

Mexico and U.S. break off trade talks

By William Chislett in Mexico City

MEXICO and the U.S. have broken off talks on the issue of drawing up a bilateral trade agreement under which proof of damage to U.S. economic interests would be needed before countervailing duties could be imposed on subsidised Mexican exports.

Mexico does not have this "injury test" because the country has not signed the latest Gatt code of conduct on subsidies and countervailing duties under the General Agreement on Tariffs and Trade (Gatt). It is only prepared to adhere to the provisions through a bilateral agreement.

Mexico rejected membership of Gatt, the Geneva-based trade body, in 1980 and the subject is still politically sensitive.

United States officials said the two sides remained far apart. Mexico was still not prepared to make any concessions on lowering its high tariffs and import licensing requirements as well as phasing out its large subsidies.

Mexican trade officials are anxiously awaiting the U.S. Commerce Department's ruling on Mexican ceramic tiles on May 3. The decision is almost certain to go against Mexico, say U.S. officials, and a countervailing duty of 18 per cent will be applied.

Mexico has been trying unsuccessfully to persuade the Commerce Department to delay its decision in the hope of first establishing the injury test through a bilateral agreement, and so heading off moves against other Mexican products.

The country is susceptible to duties because U.S. manufacturers have only to prove the existence of subsidies, and not economic damage.

United States officials said companies were making inquiries into Mexican exports of secondary petrochemicals and steel products with a view to filing a suit against Mexican manufacturers.

Nippon Kohan, the second largest steelmaker in Japan, has contracted with Mexico's national steel producer Siderurgica Lazaro Cardenas las Truchas (Sicartsa) to build four 200-ton electric furnaces. AP-DJ reports from Tokyo. The Japanese company said the \$260m contract will be supported by year-based loans from the Japanese Government.

Hong Kong and EEC 'at odds'

By Robert Cottrell in Hong Kong

HONG KONG and the EEC are "diametrically opposed" on textile trade policy, said Mr Lawrence Mills, the Hong Kong Trade Commissioner, after preliminary talks between the two sides this week on the future of their bilateral textile restraint agreement.

He forecast that negotiations, due to begin in Brussels on June 1, will be "very difficult indeed."

Mr Mills said the EEC "is seeking a very restrictive arrangement" with Hong Kong, including reductions of 10 per cent in five categories of goods which are particularly important to Hong Kong exporters.

The five categories are: knitted shirts, knitted sweaters, woven trousers and men's shorts, woven and knitted blouses, and men's woven shirts.

"In addition," said Mr Mills, "the EEC is seeking extremely low import growth rates with no flexibility in some categories and minimal flexibility in others."

Hong Kong was seeking "greater export opportunities in the Community and sufficient flexibility within any new agreement to allow it to follow market trends."

Hong Kong's talks with the EEC follow the conclusion last month of its bilateral negotiations with the U.S. within the framework of the Multi-fibre Arrangement (MFA). Mr John Bremridge, the Financial Secretary, has since said that the effect of the U.S. agreement will be to cut the growth rates of restraint limits from an average of 3.5 per cent to slightly under 1 per cent for 24 sensitive items.

Those 24 items together represented about 30 per cent of Hong Kong's domestic exports to the U.S., said Mr Bremridge.

He estimated the cut to amount to a 1 per cent reduction in the forecast growth rate of Hong Kong domestic exports to the U.S., and a reduction of under half a per cent in the forecast growth rate of domestic exports as a whole. The EEC is Hong Kong's second largest domestic export market, taking a quarter of domestic exports in 1981. The U.S. is the largest market, taking 36 per cent of domestic exports, worth HK\$29.2bn (£2.8bn) last year.

Exxon planning to sell eleven supertankers

By Charles Batchelor in Amsterdam

EXXON, the U.S. oil group, plans to sell 11 250,000 dwt supertankers over the next two years. Esso Nederland, the Dutch operating company, said.

Two of the tankers from the Dutch fleet, the Esso Nederland and Esso Europoort, will be taken out of service as soon as they come up for their next overhaul in June and August.

Exxon's move reflects the general trend among fleet operators to reduce capacity in line with the decline in demand. British Petroleum and Royal Dutch Shell last year announced plans for sharp cuts in their tanker fleets while the Dutch shipping group, Nedlloyd, also recently laid up two vessels.

Exxon's fleet consisted of 134 vessels of varying sizes, but of a total 16.8m dwt at the end of 1981. Alongside plans to scrap the larger vessels it also proposes building eight smaller ships of a total 500,000 dwt for use on the U.S. East Coast and on U.S. inland waterways.

The current scrap value of a 250,000 dwt tanker is around \$4m but the cost of "mothballing" vessels and the absence of any prospect of an upturn in demand in the foreseeable future mean scrapping is the only solution. Esso Nederland said.

Exxon took eight vessels out of service in 1979-81 and originally intended scrapping a further four to six ships in 1982-83. Worsening prospects during the last quarter of 1981 persuaded it to increase its programme to 11 vessels.

Richard Cowper in Jakarta writes: A specialised Dutch shipyard, IHC Holland, has won a \$33m (£18.3m) order to build two dredgers for the Indonesian Government. The dredgers, with a capacity of 1,000 cubic metres and 2,900 cubic metres, will be used by the Indonesian Department of Communications, mainly for dredging of harbours.



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And the Maestro would have been reassured to see that the

Trevi is fitted with an all round disc braking system that is second to none. In fact, if Vincenzo Lancia was around today, the Trevi is probably the car that he would choose to take his mother up those hill roads behind Turin to the little village of Fobello.

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Airlines think worst of travel recession is over

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRLINES serving the UK are becoming cautiously optimistic that the recession in air travel may have passed the worst and that a recovery may now be on the way... British Caledonian says its traffic was up by about 5 per cent in the first three months of this year...

Workers hit out over Courtaulds closure

By Our Belfast Correspondent

A MOVE by Mr. James Prior, the Northern Ireland Secretary, yesterday failed to prevent the closure of a dyeworks at Dungannon, County Tyrone, with the loss of 300 jobs...

'Overvalued' sterling and dollar forecast to fall sharply over year

BY DAVID MARSH

THE POUND and the dollar will drop sharply in the next 12 months from their overvalued levels against Continental currencies, the Henley Centre for Forecasting predicts... The group's exchange rate predictions were presented yesterday by Mr John Sharples...

GLC plans advanced office technology

By Guy de Jongh

THE Greater London Council plans to install an electronic office automation system which, officials believe, will be the most advanced outside the U.S... The system, expected to cost between £5m and £6m, is intended to provide the GLC's central administration at County Hall with a wide range of facilities for processing and communicating information...

Pension fund managers warned

BY ROSEMARY BURN

THE investment performance of UK pension funds has varied over the past six years by decisions to invest overseas, according to a survey by Cable Wood, the actuarial consultancy company within the Hill Samuel Group... Mr Kenneth Woods said Mr Prior had promised the committee he would make a firm and substantial offer of Government aid to Mr Hogg and would "put the ball back with Courtaulds"...

Hitachi doubles memory of industrial robot

By Maurice Samson

HITACHI, the Japanese electronics group, says it has developed a new industrial robot with twice the memory capacity of a conventional machine and plans to start exporting it in September... The company announced in Tokyo yesterday that it would produce about 70 of the machines a month and that they would be sold at ¥10.5m (£82,800 each)...

Whitney urges importance of TV programme quality

BY BELINDA MENK

QUALITY and content of programmes matter as much as ratings, said Mr John Whitney, who is to be the next director general of the Independent Broadcasting Authority... Mr Whitney, 51, is managing director of Capital Radio in London. He will succeed Sir Brian Young as director general of the IBA when Sir Brian retires in November...

Scotch exports value rises by 5%

BY GARETH GRIFFITHS

SCOTCH WHISKY exports increased in value by 5 per cent in 1981 compared to 1980 but the volume of exports fell by 3 per cent, according to a provisional statistical report published yesterday by the Scotch Whisky Association... The survey covers export figures for only six months, because for a large part of 1981 statistics were not available due to the civil service dispute...

Crippling rates burden 'a myth of Conservative propaganda'

BY ROBIN PAULEY

DOMESTIC RATES, which many people believe to be one of their biggest taxes, are one of the smallest, according to figures compiled by the Treasury for Mr Jack Straw, opposition Treasury spokesman... Mr Straw said yesterday that he believes that rates were a crippling burden on house-holders was the result of Conservative propaganda...

Guernsey - developing a future for light industry. Let us put you in the picture. Today, the Channel Island of Guernsey is busily engaged in supporting a successful light industrial sector... D/C| Department of Commerce & Industry

Aberdeen harbour has most successful year yet

By Our Aberdeen Correspondent

ABERDEEN HARBOUR has recorded its most successful year to date, and the fourth year in succession that the volume of tonnage handled by the port has increased... The last section of the reconstructed Aberdeen Fish Market, which once served the third largest fleet in the UK, has opened for business...

Hospital planned for Edinburgh

By Our Edinburgh Correspondent

PLANS FOR a £10m private hospital development in Edinburgh have been announced by Conder Scotland construction company... The project, in conjunction with Selohart Holdings, is to provide two full operating theatre suites, comprehensive diagnostic and therapy departments and 60 single bedrooms with bathroom/shower and toilets...

BASE LENDING RATES table with columns for Bank Name and Rate Percentage. Includes A.B.N. Bank, Allied Irish Bank, American Express Bank, Amalgamated Bank, etc.





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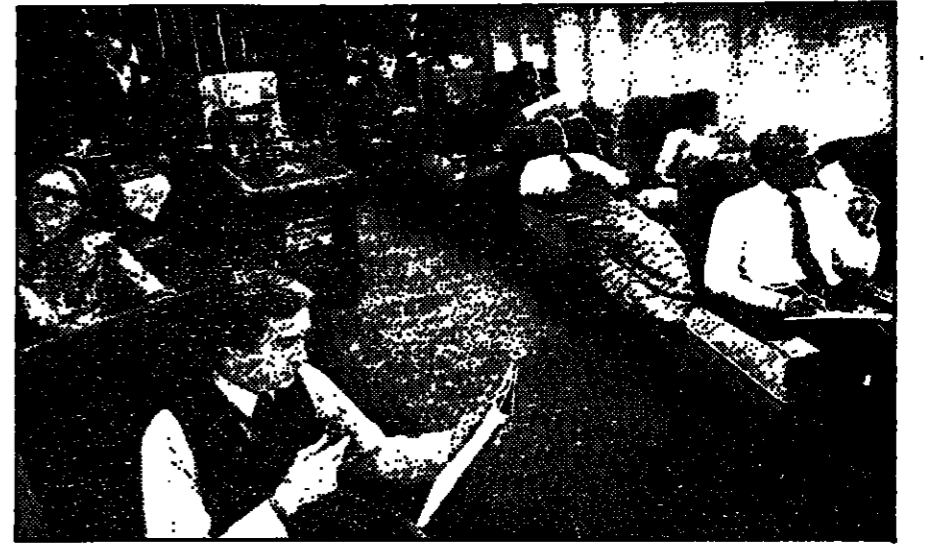
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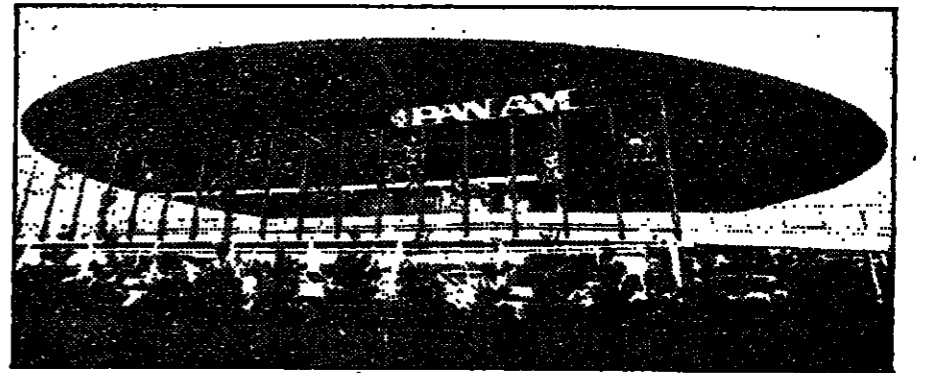
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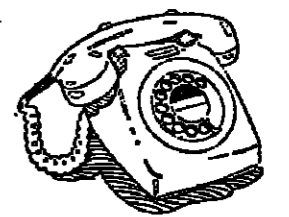
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# Pan Am. You Can't Beat the Experience.

UK NEWS - PARLIAMENT and POLITICS

Pym toughens stance on use of task force

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THERE WAS a distinct toughening in the Government's attitude to the use of force in the Falklands yesterday when Mr Francis Pym, the Foreign Secretary, made a statement to the Commons on his eve of his departure to Washington.

At the same time, he said, Britain would continue to do everything possible to achieve a peaceful solution by diplomatic means—although he repeatedly warned of the difficulties involved.

After leaving the chamber Mr Pym unexpectedly returned 20 minutes later to make clear that Britain did not rule out the use of force even while negotiations with Argentina were proceeding.

TWO former Sports Ministers yesterday called on FIFA—international soccer's ruling body—to ban Argentina from the World Cup unless it withdraws from the Falkland Islands.

Mr Neil Macfarlane, the present Sports Minister, made clear in the Commons that the Government had no plans to stop England, Scotland or Northern Ireland taking part in this summer's finals in Spain.

"Millions of people in Britain would find it very strange if our three teams were not to participate in the World Cup through the acts of another aggressive nation," he said at Question Time.

Mr Macfarlane said his call to sports bodies on Tuesday to cancel any matches planned in the UK between British and Argentine teams did not mean British teams should not take

part in international competitions where Argentina might be represented.

Former Tory Sports Minister Sir Hector Monro said: "It is our hope that FIFA (the Federation of International Football Associations) will realise many European and Commonwealth countries will not want to be involved in a tournament with Argentina."

"FIFA should take responsibility and remove Argentina from the World Cup if the present situation continues."

Mr Pym agreed that Britain wanted a peaceful solution, but pointed out that Churchill was also a great warrior.

remain to be resolved. "This must mean the contemplation that it may not be successful—but we hope desperately it will be."

Mr Denis Healey, Labour's Foreign Affairs spokesman, stressed that the continued support of the United Nations, the EEC and the Commonwealth depended on Mr Pym demonstrating his determination to seek a diplomatic solution.

Mr Healey again proposed that the Government should agree to a UN Administrator for the Falklands for an interim period after the departure of Argentine troops.

Mr Pym assured him that no possibilities were being excluded, but there were other issues equally important, such as withdrawal of Argentine forces, sovereignty and the wishes of the islanders.

Atlantic Community. This would include Argentina and other South American countries with Atlantic coastlines, plus New Zealand and Australia.

Mr Pym promised to consider this, but felt it was a long-term matter.

Mr Enoch Powell (OUP Down South) asked bluntly: "Is it still the intention of the Government to restore British administration of the islands?"

Mr Pym replied firmly: "That is still the intention of the Government."

Low Pay Unit hits at tax 'penalties' for poorer families

BY ROBIN PAULEY

TAXATION in Britain is contradictory and penal at the lower levels of income, a Commons committee was told yesterday.

A two-child family started to pay tax in 1981-82 on income more than £22 a week lower than the supplementary benefit level, and £30 a week lower than the eligibility level for Family Income Supplement, MPs heard.

Mr Chris Pond, director of the Low Pay Unit, told the Treasury and Civil Service Select Committee's group examining the structure of personal taxation that the poverty trap in Britain operated over a wide range of earnings.

cent of families considered poor enough to receive £75 per week paying income tax, compared with 20 per cent in 1974.

The number of families in the poverty trap—those who would lose at least £5 in the pound in extra tax and reduced benefit eligibility—was more than 105,000, compared with 60,000 in 1978 and 15,000 in 1974.

The unit said that relief would be obtained by higher wages council minimum rates and better enforcement of those operating, together with moves towards a national minimum wage.

Labour will oppose higher taxes to pay for Falklands expedition

BY IVOR OWEN

LABOUR will strenuously oppose any attempt by the Government to increase taxation to finance military operations in the Falkland Islands, Mr Peter Shore, the shadow Chancellor, warned in the Commons last night.

cuts in public spending would inflict unacceptable damage on the air- and sea-dependent economy.

The shadow Chancellor expressed surprise that Mr Leon Brittan, Chief Secretary to the Treasury, had made no mention of the extra costs certain to be incurred when he opened the debate on the Government's public expenditure plans.

The sacred cow of cash limits was slaughtered without a murmur when it was considered that it stood in the way of an overriding need," he said.

Underlining the importance of Mr Shore's statement, Mr Enoch Powell (OUP, Down South) asked: "Are you saying that you do not believe that additional expenditure on warlike preparations and, if necessary, warlike operations should not at all be financed out of increased taxation?"

He argued that with the massively under-used resources of the British economy, operations could be financed to the benefit of the economy.

Broadcast authorities back SDP claim to air time

BY ELMOR GOODMAN, POLITICAL CORRESPONDENT

THE SDP has won the partial backing of the broadcasting authorities for its claim that it ought to be given air time for party political broadcasts.

broadcasting authorities have accepted the SDP's case that the rules need changing to take account of the emergence of a new party.

BR surplus property sales to raise £250m

By Hazel Duffy, Transport Correspondent

THE Government expects British Rail to raise up to another £250m from the sale of surplus land and properties. The disposals, which will take up to three years to effect, will go some way towards alleviating the constraints on BR's investment programme brought about by falling revenue and rising costs over the past two years.

Under the present system, the Liberals would, on their own, probably get three broadcasts at the next election. The agreement says that as long as the SDP-Liberal Alliance existed it seemed sensible to regard the two parties as a single unit for the purpose of allocating broadcasts.

The memorandum also recommends changes in other key aspects of the system. It is critical of the "selective and shadowy" way in which the committee operated, and says that in future it should be more open in revealing the details of its agreements and the arguments behind them.

Tebbit hints at more union laws

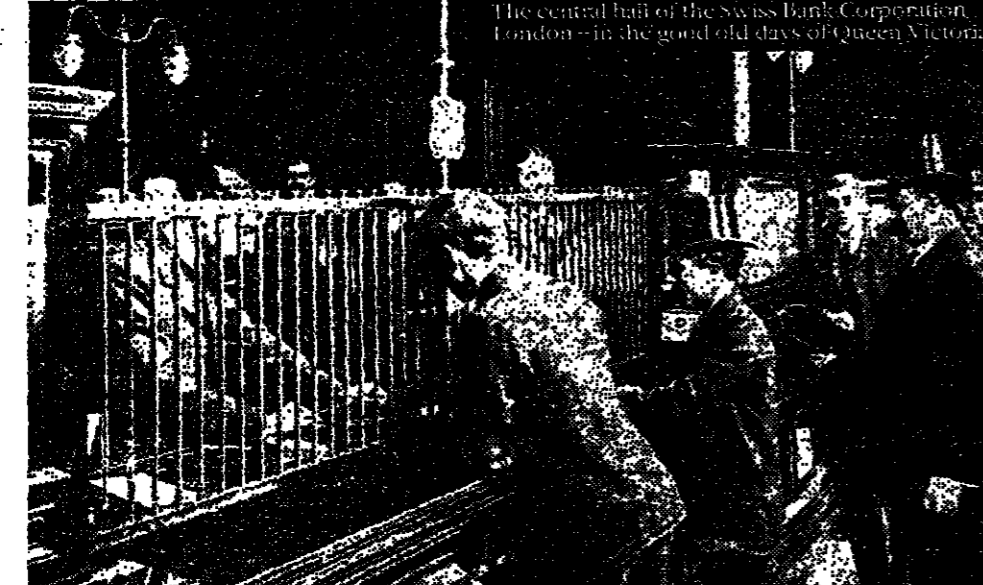
BY JOHN HUNT

MR NORMAN TEBBIT, Employment Secretary, indicated yesterday that the Government is considering union legislation in addition to the Employment Bill now going through the Commons.

He also urged employers to use the voluntary closed shop provisions in the Employment Bill, and not to be deterred by pressure from hostile shop stewards.

from Conservative right wingers to introduce measures along these lines. He called on employers to use the voluntary balloting provisions in the Employment Bill. These stipulate that sacking a person who refuses to join an existing closed shop would be unfair dismissal if the closed shop had not been approved by a ballot.

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# UK NEWS - LABOUR

## Scottish TUC rift averted after miners remit motion on left

**BY JOHN LLOYD**

THE THREAT of an embarrassing rift within the Scottish TUC was averted yesterday when National Union of Mineworkers delegates remitted a motion criticising the current investigation of extreme Left groups within the Labour Party.

The miners agreed to remit after soundings of the STUC general council and the major trade unions revealed widespread opposition to the motion.

By remitting as opposed to withdrawing the motion, which condemned "witchhunts" as "a recipe for disaster" and pledged support for a crusade for progressive policies, the miners succeeded in airing their opposition to the investigation without facing an almost certain defeat from the Congress.

Before announcing the move, Mr Eric Clarke, secretary of the Scottish NUM, warned the Congress not to assume that a Labour victory at the next general election was a foregone conclusion.

That would only be achieved if Labour gave firm backing to its alternative economic strategy and maintained the support of left-wing activists.

Earlier, Mr Jim Mortimer, general secretary elect of the Labour Party, gave a thinly veiled hint to the conference that he was opposed to the investigation of left wing groups.

"There are diverse sources of inspiration in the Labour Party. We are a broad Party and I hope we can keep it that way," he said.

Mr Mortimer, who was himself once on the Party's proscribed list, may now attempt to get the findings of the investigation shelved when the report is completed later this year.

Left and right wing unions clashed over their position on the military clamp down in Poland.

The debate centred on whether the STUC should support a motion, put by the right-led Electrical, and Plumbing Trades Union, calling for a total ban on contacts with East European trade unions in protest against the Polish military regime and the suppression of the free trade union, Solidarity.

After a heated debate the motion was overwhelmingly defeated.

## Talks fail to end Ford strike at Halewood

**By Our Financial Staff**

THE UNOFFICIAL strike at Ford's Halewood plant which has halted Escort production for the past three days will continue until the weekend at least.

A joint works committee meeting held yesterday failed to resolve the dispute which has now caused the loss of 5,000 cars valued at about £22m. Talks will now be held between the company and the Transport and General Workers Union at national level on Friday.

An effort was made yesterday to persuade the 18 metal assembly workers at the centre of the dispute over new work practices to return to the interim deal negotiated locally by unions and management. Under the agreement the metal assembly workers' jobs would have been done by quality control workers.

## Union doubts on BL peace plans

**BY ARTHUR SMITH, MIDLAND CORRESPONDENT**

UNION OFFICIALS cast doubt last night on BL Cars' much-publicised hopes of starting a new era of peaceful industrial relations.

The company remains confident that a proposed bargaining structure hammered out in three months' negotiations will be approved in talks resuming tomorrow with the unions.

Some union negotiators, while conceding the deal might be approved point out privately that there are many hurdles to be overcome before the company can expect improved relations.

Shop stewards from the two biggest unions, the transport workers and the engineers, have pulled back from support for the package. They object to BL's refusal to write in clauses giving specific approval to the closed shop and to recognise that outside contractors should employ union-only labour.

They are also "highly suspicious of the management's attitude and intentions," according to Mr Grenville Hawley, national automotive secretary of the TGWU.

Two new developments will undoubtedly sour and could jeopardise tomorrow's talks—the decision of the company to concede separate bargaining rights to Land Rover workers, and to issue warnings against senior shop stewards.

Land Rover, already a separate entity within BL has announced that it will negotiate pay rates with its employees independently.

The defection of Land Rover, with more than 8,700 manual workers, marks a considerable loss to the proposed new central bargaining structure for BL Cars, 53,000 blue-collar employees.

Stewards from Land Rover will sit in on tomorrow's negotiations knowing they will be free to come back for talks with the management on their own bargaining structure.

Mr Hawley said the concession to Land Rover could lead to demands for separate bargaining rights from other important groups, such as Jaguar and Unipart, the components supplier.

The issue was put more bluntly by another senior union negotiator: "The company has suffered strikes and sweated blood over a number of years to get central bargaining, and now plans to reverse the procedure overnight."

Mr Hawley said the unions were very worried that the company had decided to condemn senior shop stewards at Longbridge and Cowley, Oxford, for expressing statements considered damaging to BL.

There was no reason why stewards should not issue factually accurate statements.

## London bus workers to strike over service cuts

**By David Goodhart, Labour Staff**

LONDON'S 18,000 bus workers are planning industrial action for next month in protest against proposed service cuts and job losses.

Delegates from the 64 garages in the capital agreed not to co-operate in discussions over cuts and to carry out "spasmodic" one-hour strikes.

Further details of the action will be worked out by the London Bus Committee of the Transport and General Workers Union, but any action is expected to escalate in July when the cuts will be implemented.

Mr George Leeks, a district officer of the TGWU, said: "Because of the judges' ruling on fares London Transport are going to take 80 buses out of service in July. We've just got to stop this cycle of decline in public transport and increase in congestion."

A London Transport official said: "We are cutting our services by 10 per cent in July but, since the doubling of the fares, demand has fallen by 20 per cent so we more dependable services."

Underground service workers who are members of the National Union of Railwaymen have also refused to co-operate with planned cuts

## AUEW votes against call for strike on jobless

**BY PHILIP BASSETT, LABOUR CORRESPONDENT**

ENGINEERING workers yesterday declined to seek a 24-hour strike over Britain's level of unemployment.

Delegates to the annual policy-making national committee of the Amalgamated Union of Engineering Workers, meeting in Eastbourne voted on right-left lines by 58 votes to 35 against the call to press the TUC for such a strike.

Left-wingers argued that, if the union did not support the call for action over unemployment, it would be seen as "timidity" by the Government.

But others were much more sceptical, both about the level of likely support and about the TUC's constitutional ability to mount such an action.

The debate disclosed differences over the success of the TUC's Day of Action called off May 14 1980, over the Government's economic policies.

Some delegates argued that the TUC might not take up such a call because their Day of Action protest was a "shambles" which people had not supported.

In a separate debate on the Common Market, hopes that the Labour Party might agree to put the issue of continued EEC membership to a referendum received a blow when the conference effectively rejected the idea.

Both the Labour Party and the TUC are committed to withdrawal from the Common Market, but Party and union moderates have been urging that the party should agree to a referendum on the issue.

The vote was a personal defeat for Mr Terry Duffy, the moderate AUEW president, who had clearly indicated earlier that he firmly supported the idea of a referendum.

## Chemicals pay deal

WORKERS in the largest chemical industry union—the General and Municipal Workers Union—have followed the advice of their negotiators and accepted a 7.3 per cent increase on the national minimum rate. It will affect over 40,000 process workers, 35,000 of whom are members of the GMIWU.

Mr David Warburton, national industrial officer of the union, said: "The deal means a guaranteed £76 a week plus company-level negotiations which will mean more cash. A 38-hour week will be introduced next year."

## Print union alleges Lord Briginshaw fraud

**BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT**

LORD BRIGINSHAW was alleged in the High Court yesterday to have been part of a conspiracy to "cheat and defraud" the print union Natsopa while he was its general secretary.

He and other former officers of the National Society of Operative Printers, Graphical and Media Personnel are alleged to have distributed among themselves £78,000 from the proceeds of sales of union properties.

Lord Briginshaw, his former personal assistant and Natsopa administrative officer Miss Joan Wing and a former assistant secretary of the union, Mr Arthur Davis, deny this and other allegations made against them by the union.

Their defences state that they acted with the authority of the union's executive council and that the property sales were part of the union's policy of dispersing its funds in anticipation of financial penalties being imposed on it under the 1971 Industrial Relations Act.

The union alleges that Lord Briginshaw also obtained about £5,660 from currency transactions involving Natsopa's Swiss bank accounts.

He and Miss Wing are also alleged to have derived unspecified benefits from companies with which they were concerned, for which they should have accounted to the union.

Natsopa is seeking repayment of testimonial grants made to the officers on their retirement: £21,929 to Lord Briginshaw, £10,365 to Miss Wing and £7,892 to Mr Davis.

The union is claiming damages, or repayment of the alleged misapplied funds, with interest, a total claim unofficially estimated to exceed £100,000.

It includes damages for alleged negligence claimed against solicitors, Thomson, Snell and Passmore, in connection with the property transactions. The firm has denied negligence.

The union's claim against a fourth alleged conspirator, Mr Alfred Skinner, its former chief clerk and financial secretary, has been settled and their conspiracy allegation against him withdrawn.

Lord Briginshaw, who was Natsopa's general secretary from 1951 until 1975, when he retired and was given a life peerage, and Mr Davis are conducting their own defence.

The hearing, expected to last about four weeks, continues today.

## Finance staff reject call to black new technology

**BY OUR LABOUR STAFF**

FINANCE WORKERS yesterday rejected a call to refuse to operate new technology equipment unless introduced through negotiated agreements on job security.

The move was made at the annual conference of the 150,000-strong Banking, Insurance and Finance Union in Blackpool, where fears were expressed about the effect of new technology on jobs.

Mr George Lynch, of the Finance Houses Section Council, said: "We must oppose the further introduction of new technology. We will refuse to operate these machines unless they are brought in through negotiations."

Mr Allen Meadows, of the national executive, agreed with the spirit of motion but urged rejection as it "does not have any teeth, only dentures."

Instead the conference backed a special campaign to raise the level of consciousness among rank-and-file members to the job security threat and to organise opposition to new technology unless it was negotiated within the terms of union policy.

The 92,000-member Clearing Bank Union is to continue its efforts to link up with the rival Banking, Insurance and Finance Union, even though this week's Bifu conference rejected talks to achieve this.

The non-TUC-affiliated CBU's conference in Birmingham resolved that improved contracts, which could eventually lead to a merger, were critical to the interests of bank staff.

## Health staff warned on action

**BY JOHN LLOYD, LABOUR EDITOR**

INDUSTRIAL ACTION in the health service would have "very grave" consequences, Mr Norman Fowler, Social Services Secretary, warned yesterday.

At the same time, Mr Alan Fisher, general secretary of the National Union of Public Employees appealed directly to the Scottish TUC for active support in any pay battle with the Government.

The TUC Health Services Committee called on all unions to form joint action committees at local level. But it delayed a decision on action until the individual unions had completed consultation with their members.

Mr Fowler said spending on health had increased, staffing had grown and the pay bill for the NHS had gone up from £4bn in 1979 to £6.5bn today.

The Government had given a high priority to spending in the service, and had sought to deal fairly with its workers.

"Clearly, however, the Government has other responsibilities. We have had to fight hard to bring down inflation. We are not prepared to abandon that objective now," Mr Fowler said.

Mr Fisher said unions had failed in the past to give sufficient support to health workers. "We have not cared enough for those who have cared for us," he said.

However, he repeated his statement of last week that nurses and others concerned directly with patient care would not be called on to take industrial action. Emergency services would continue to operate.

Mr Fisher called on Mr Fowler to improve the Government's 4 per cent offer, or to put the 12 per cent claim to arbitration.

One health union, the Confederation of Health Service Staffs, will take industrial action from April 26. This will include a ban on non-emergency hospital admissions. The Royal College of Nurses, which has a policy against striking, is to meet today to determine its position on pay.

Nupe is expected to decide on industrial action on April 30, after consultation with its branches. It is widely expected to follow Cobse unless the offer is improved.

White collar workers in the NHS are represented by the National and Local Government Officers Association. Nalgo's health service committee meets tomorrow to determine its position.

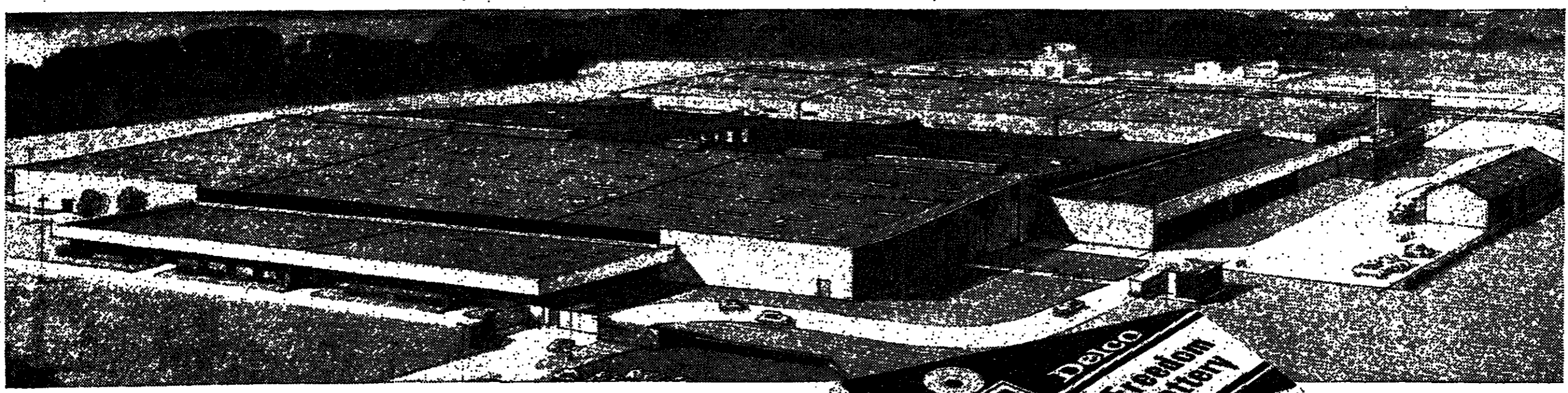
## Steel plant peace

WORK AT the British Steel Corporation plant in Corby, Northants, was expected to return to normal today after a two-day walk-out by 1,500 members of the Iron and Steel Trades Confederation.

Industrial action began on Tuesday over plans to move 14 workers in the scrap metal department to another section.

## Protest against Bill

THE TUC has declared June 16 as "union day," and will urge its activists to distribute hundreds of thousands of leaflets warning their fellow workers of the consequences of the Employment Bill.



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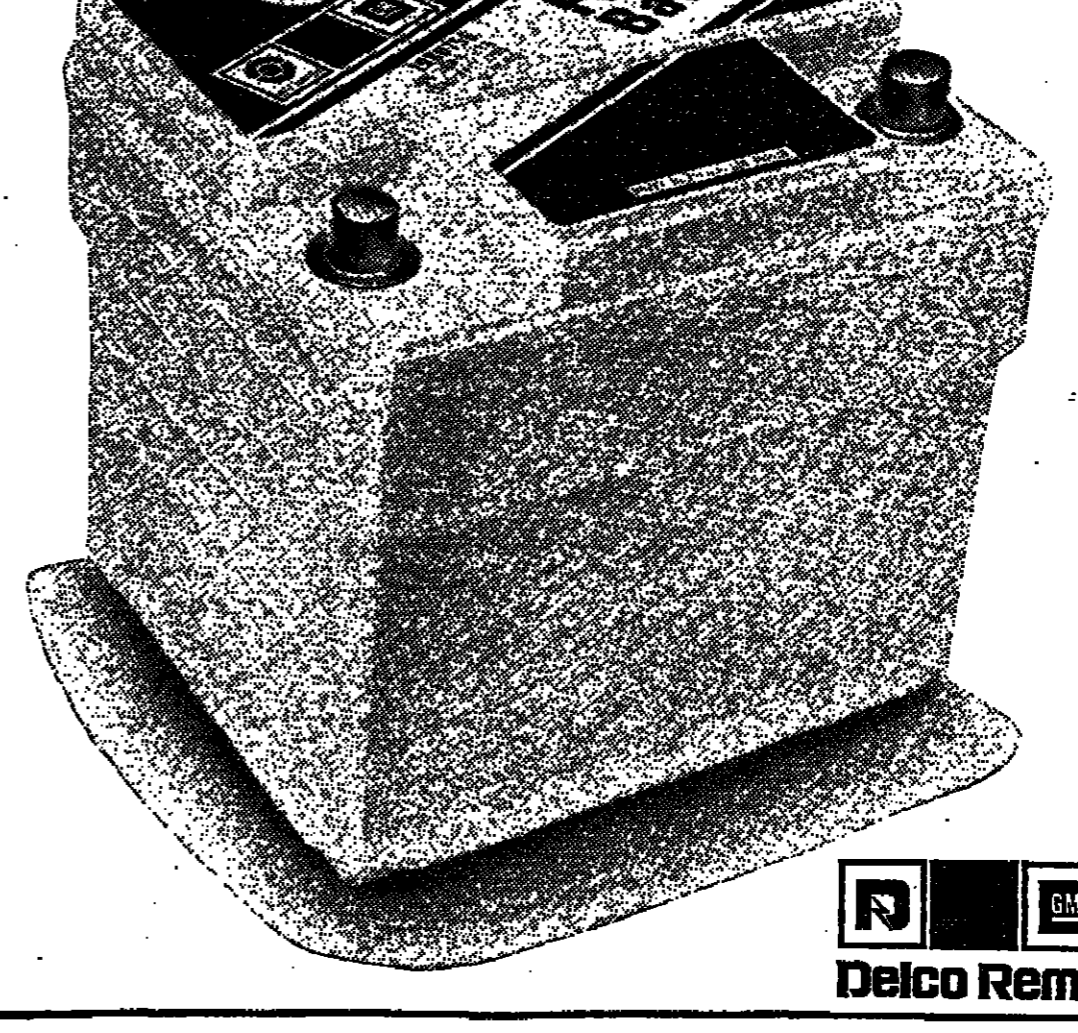
Freedom's rugged polypropylene case encloses a battery chemistry that resists the problems ordinary batteries suffer: overcharging, grid corrosion, thermal runaway and gassing. The plates are enclosed in separator envelopes to protect against vibration and impact damage. Plus, there's a built-in flame arrester to protect against external sparks. And there's even a built-in hydrometer for monitoring the state of charge. In the vehicle. Or on the shelf.

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The Delco Freedom Battery. Built in Europe for the cars of Europe. By Delco Remy, Division of General Motors, Milton Keynes, England; Russelsheim, W. Germany; Gennevilliers, France; Milan, Italy. A world leader in automotive electrical systems since 1896.





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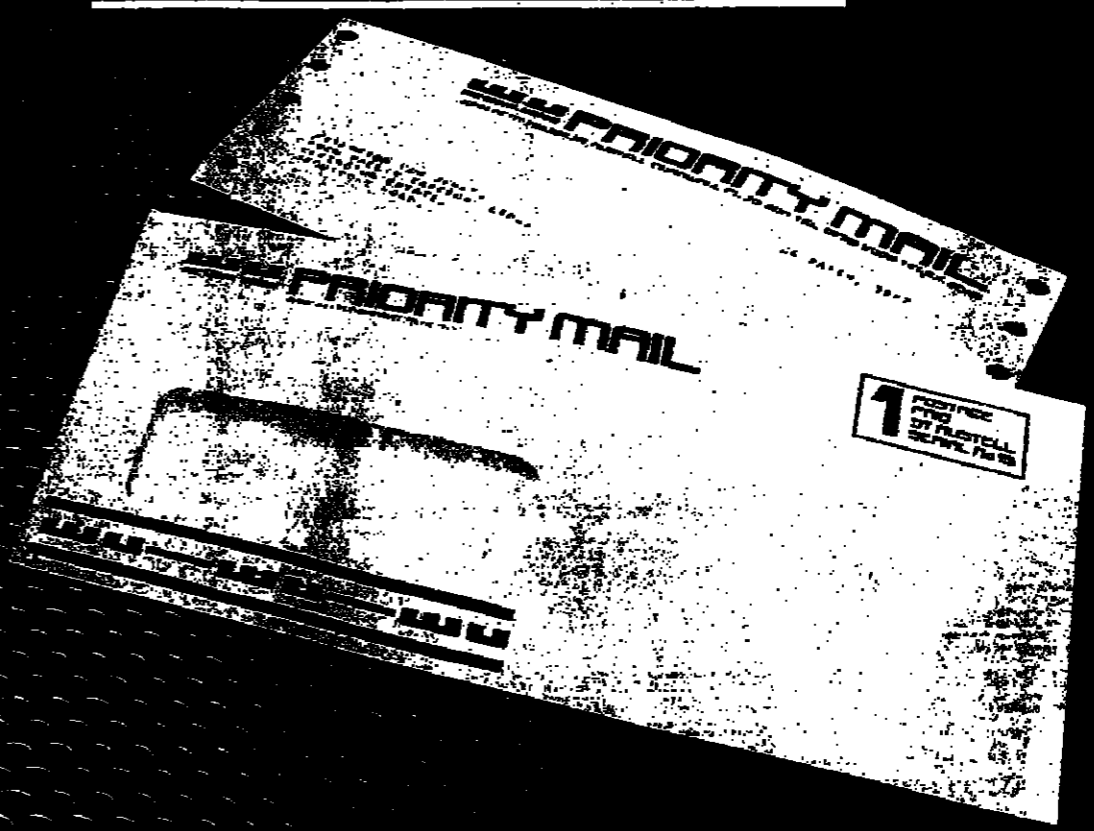
The cost of Priority Mail makes it a thoroughly businesslike proposition. Western Union will introduce you to Priority Mail for just about the cost of a first class stamp: that means you'll get a complete mailing service for no more than the price of postage.

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The successful candidate will have a substantial degree of client contact and it is, therefore, essential that applicants demonstrate the personal qualities needed to deal effectively at senior management level. As the position will involve a certain amount of foreign travel, fluency in either French or German would be an advantage.

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# Marketing Executive

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Our clients are a large, international engineering and contracting group, with headquarters in central London, whose record of growth and profitability is impressive. They seek a qualified Accountant of the requisite stature to become Financial Operations Director to one of their major subsidiaries.

The subsidiary is a substantial business operation in its own right and its Financial Operations Director must therefore be able to contribute high level financial expertise to the abilities of a strong technical management team. The man or woman appointed will be able to demonstrate progressive career development, not only as an Accountant but as a decisive business manager.

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Please write initially with career details to W. J. Stanton, Director, Austin Knight Limited, 20 Soho Square, London W1A 1DS. Applications will be forwarded to our client, therefore any company you do not wish to approach should be listed separately.



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Responsible to the main Group Board, the successful applicant will be based in the London area and should have the drive to play a leading role in the Company's continued expansion.

The position requires substantial experience in all aspects of acquisition, design, funding, letting and the co-ordination of consultants and construction.

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Candidates, aged 32-38, will be able to demonstrate a successful career to date, probably in a broking environment. They will be numerate and communicative

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# MERCHANT BANKING Foreign Exchange

Hill Samuel & Co. Limited, as a result of the continued expansion of its foreign exchange operations, invites applications for the following appointments:-

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A dealer with a minimum of two years' experience is required by the team engaged in interbank transactions in both spot and forward markets.

Candidates will be in their mid-twenties and seeking an opportunity to progress in an expanding environment.

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An ambitious young person is required to assume initial responsibility for a variety of support duties. Early involvement in foreign exchange dealing activities will be expected and we are therefore unlikely to appoint an assistant without dealing potential.

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Competitive salaries for both positions will be offered, together with the usual range of substantial banking benefits.

Please either write or telephone, in confidence, to:  
Miss Deborah Harman, Senior Personnel Officer,  
Hill Samuel & Co. Limited, 100 Wood Street, London EC2P 2AJ.  
Telephone: 01-628 8011 extension 2229.

HILL SAMUEL & CO LIMITED

# Investment Analyst

Pointon York, the insurance, pensions and financial services group, needs an analyst to further strengthen the investment division and contribute to new product development.

The analyst will identify and analyse new opportunities and monitor existing investment vehicles, reporting in a clear, concise and authoritative manner.

This new appointment calls for someone with a degree or professional qualification and several years' wide-ranging experience. The successful candidate, probably aged 25 to 35, will be a self-starter who has the drive and ambition to rise rapidly in a dynamic environment. The job carries an emolument package of \$12,000 to \$15,000.

Pointon York, a market leader in small self-administered pension schemes, is a Licensed Deposit Taking Institution currently supervising funds of close on £50m. Please telephone or write to the Chairman, Geoffrey Pointon.

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The appointee will become progressively involved in all aspects of business planning & strategy, working closely with the Operational Director and Finance Director. More immediately, the need to become familiarised with the company's activities quickly is essential to make an early and positive contribution to the day to day decision making, giving guidance and advice to others in the management team.

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I. C. Robertson, Personnel Manager (South),  
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This is a newly created position which will report directly to senior management.

Applicants should possess ability to work in French and have fluent English.

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Management Recruitment Consultants  
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As a result of continued expansion, Wardley Ltd., seeks a Loans Manager to join one of the Groups in the Hong Kong Loans Department. The Group handles a broad range of project orientated lending transactions in the Far East and elsewhere. Specialist industries serviced include shipping, transport and energy.

Candidates will be in their late 20's or early 30's and will have well developed international term lending skills combined with negotiating ability. Experience in international leasing would be advantageous. Salary is negotiable around £18,000-£20,000 and the generous package adds significant financial benefits. (WW446)

Candidates should write briefly and in confidence to Executive Appointments Ltd., Executive Selection Division, 18 Grosvenor Street, London W1X 9FD quoting reference. No identities divulged without permission.

*ESD is the Executive Selection Division of EAL*

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We have an established market to build on initially. We are manufacturers of industrial electrical equipment including power resistors, heaters, controllers, travelling contact power supply systems and other factory power supply equipment.

Successful applicants will speak English as well as French, Flemish and preferably German. They must be capable of working alone at first, reporting regularly to and under the instructions of the British sales directorate.

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BUSINESS LAW

The war on imitators

BY A. H. HERMANN, Legal Correspondent

THE QUESTION of whether it is in the public interest for motor car manufacturers to oblige their appointed dealers and service stations exclusively to sell and use their "original" spare parts should be answered next month by the Monopolies and Mergers Commission.

The death of the designer—much better protection, in fact, than the Design Copyright Act 1968 gives to three-dimensional objects of some artistic appeal, if not registered.

MCT (multi-cable transit), was developed by a Swedish company and had been distributed in the Netherlands since 1962. Since 1973 J. A. Beele was its exclusive importer. The MCT conduits were protected by patents in Germany and the Netherlands until 1975.

In such cases a servile imitation was an infringement of the Act against unfair competition if the manufacturer had failed to introduce design features distinguishing the product from the original.

RACING

THE BLUE RIBAND Trial on Tuesday exposed the considerable limitations of Count Fabron and several other Derby entries, so it is to be hoped that today's Princess Elizabeth Stakes can throw up a worthwhile Oaks candidate.

forward and ready to do herself justice. Clare Island was easy winner of a valuable event over seven furlongs at Sandown on her racecourse debut last summer. She went on to run Height of Fashion to three-quarters of a length in the May Hill Stakes before putting up a listless display behind that same filly in the Hoover Mile.

CLARE ISLAND was easy winner of a valuable event over seven furlongs at Sandown on her racecourse debut last summer. She went on to run Height of Fashion to three-quarters of a length in the May Hill Stakes before putting up a listless display behind that same filly in the Hoover Mile.

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TELEVISION, LONDON, BEEC 1, BEEC 2, RADIO, and various program listings for different channels and stations.



The hidden worlds of mu. It's a sad trick of fate that a lot of interesting fact stays hidden behind formidable words and symbols. The Greek letter mu (mu) is a case in point. As a symbol in thermodynamics, electromagnetism or even mechanics, it's more likely to give rise to despair than hope in most people.

SKF logo and company information. The SKF logo is prominently displayed in the bottom right corner, with the text 'SKF' in a bold, stylized font.



# Meeting the needs of the Fleet buyer

BY RICHARD STARK, FLEET SERVICES MANAGER

As one of the major importers of vehicles into Great Britain, V.A.G. (United Kingdom) Ltd are now placing even more emphasis on meeting the needs and requirements of the fleet buyer. To highlight this level of commitment, all fleet activities are centralised through V.A.G. Fleet Services based at 95 Baker Street, London W1.

The move to Baker Street, 18 months ago, coincided with the implementation of an integrated fleet sales reporting system, based on the formation of a fleet register, thereby identifying the fleet customer by number, and providing a facility for the Dealer Network to update the central computer at V.A.G. Headquarters in Milton Keynes in respect of sales to any Registered Fleet Operator.

There are currently 4500 registered operators—a figure which is likely to climb to over 6000 by the end of 1982. This Register has produced significant benefits for Importer and Operator alike as a communication medium and has provided invaluable sales data, allowing Fleet Services to establish exactly where Audi/Volkswagen strength and weaknesses lie within the overall fleet market.

At a time when overall demand for Audi/Volkswagen product continues to exceed supply, difficulties have been experienced in the attempt to satisfy the fleet operator in respect of ideal supply terms. These difficulties are highlighted in a climate where there is an obvious temptation to concentrate on more profitable retail business. It is clear, however, that this strategy could result in a serious long term corporate disinterest in a product that has significantly increased its share in the ever important fleet market over the past 5 years.

As Fleet Services continue to identify this expansion of activity in the corporate sector, so V.A.G. (United King-

dom) Ltd strengthen the negotiation platform with Volkswagenwerk in terms of priority access to production for the Registered Fleet Operator.

In a market place distorted by purely marketing, there is a continuous temptation to achieve short term success at the expense of product credibility with the devastating results of plummeting residual values.

Fleet Services will at all times perpetuate a responsible marketing philosophy endeavouring to strengthen the Audi Volkswagen presence in all categories of Fleet Operation without damaging the all important cost of ownership.

The best possible way to ensure that our fleet operation works—is to integrate it into our total sales effort. The key to success are our 400 dealerships, and in 1982 Fleet Services will continue supporting them in every possible way. We will help them identify fleet prospects, provide promotional and advertising support and give them assistance in negotiating competitive fleet supply packages. We will continue to train sales staff in the principles of leasing and contract hire, and will arm them with up to the minute information on the cost of owning our models.

A major concern to any Fleet Operator is the quality of after sales back-up. We have concentrated on integrating fleet after sales into our total field organisation. We have one of the most extensive and respected after sales operations in the United Kingdom, divided into three regions with five zones per region. Within this framework, V.A.G. (United Kingdom) Ltd are able to provide a National comprehensive field representation for Fleet Operators, backed up by the after sales systems at V.A.G. Milton Keynes—and naturally, by Fleet Services.

# V.A.G Services. The vital back-up

The Audi-Volkswagen organisation has undergone many changes since the days when it was solely reliant on the Beetle. Since the early seventies, an entire range of cars and light commercials have been introduced with many of the models already superseded by more modern successors.

The Audi Volkswagen range, from the "supermini" Polo to the revolutionary Audi Quattro offers customers a choice second to none and is the most comprehensive and technically advanced range of vehicles available from any one manufacturer today.

The VW symbol was first seen in Britain in 1952 and the last thirty years have seen the organisation grow up to its current position of leading traditional importer, with 400 dealers employing over 13,000 people. Last year V.A.G. dealers sold 86,302 vehicles, an increase of 20 per cent over 1980.

The strength of the V.A.G. organisation has resulted from the reputation of the vehicles they sell and the level of after sales service they offer to the customers. V.A.G. believe that the customers benefit from an efficient and profitable dealer network and they feel their responsibility is to provide a total service through their dealerships.

The range of V.A.G. services is extensive and covers all aspects of retail trading from an intensive training programme for dealer personnel to the issue of V.A.G. credit cards to customers enabling them to spread the cost of servicing.

The importance of after sales has always been paramount in the V.A.G. organisation and the importer has introduced various measures over recent years to ensure that Audi VW owners are offered the most extensive and comprehensive range of services available in the industry.

The German manufacturer's aim is to offer advanced technology at a price customers can afford. These priorities are met at the design stage, through the production process, and are supported by the services offered at dealerships.

Volkswagen Audi were the first major company to introduce a six year warranty against rusting through on body panels. A host of measures introduced in the design stage and on the production line to combat the general problem of corrosion is



The headquarters of V.A.G. (United Kingdom) Limited at Milton Keynes



V.A.G. parts are delivered direct to 400 UK dealers every second working day.

supported by one of the most far reaching anti-rust warranties, which runs alongside a general 12 month unlimited mileage and a comprehensive goodwill system.

A customer wants two questions answered when his car needs servicing—when and how much? Through their Price Guarantees, Exhaust and Express Service programmes, V.A.G. dealers are able to give quotes on nearly 1,000 job packages with speed and accuracy. Major franchises have lost

business over recent years to "quick fit" centres, mainly through their ability to give instant service and a fixed price. V.A.G. believe that given the choice of equally quick service and the fitting of genuine parts and keen price, an Audi Volkswagen customer will prefer to have the work done by an authorised dealer.

The United Kingdom has one of the largest fleet markets in Europe, with at least 60 per cent of new cars registered each year bought by business users. Almost all Audi sales and an increasing

number of Volkswagen models are bought with company money and this area of business requires special services and advice.

V.A.G. Fleet Services was set up in 1981 to centralise all fleet activities and to provide a national comprehensive field representation for fleet customers, backed up by an after sales service department at V.A.G. headquarters.

Auto Union Finance, a subsidiary of V.A.G. (United Kingdom) Limited, offers a range of financial services to V.A.G.

dealers and their customers, varying from a comprehensive hire purchase scheme for the private buyer and business customers to their complex leasing schemes suited to the fleet customer.

Leasing is an increasingly popular choice of finance for the business customer whether he is a single car user or operates a large company fleet. For a low initial rental, normally allowable in full against tax, any company is able to meet its transport needs for a fixed monthly payment, thus simpli-

fying their overall budgeting while improving their cash flow and releasing capital for other uses. Another advantage is that VAT is normally recoverable on rentals of cars.

For a large fleet operator who has a number of high and low mileage cars in his company, an open-ended leasing scheme gives him the freedom to replace cars when he needs to rather than be tied to a fixed long-term agreement. This scheme is based on a four year period, thus improving the company's cash flow, but the lease can be terminated after 12 months for a known settlement figure.

Lease purchase is a flexible alternative to leasing as it gives the customer the option of buying the vehicle at the end of the agreed repayment period. The benefit to the customer can be substantial as the finance charges can be offset against taxable profits and can be claimed against capital allowances. Businesses not registered for VAT have an extra benefit as the monthly repayments do not attract VAT.

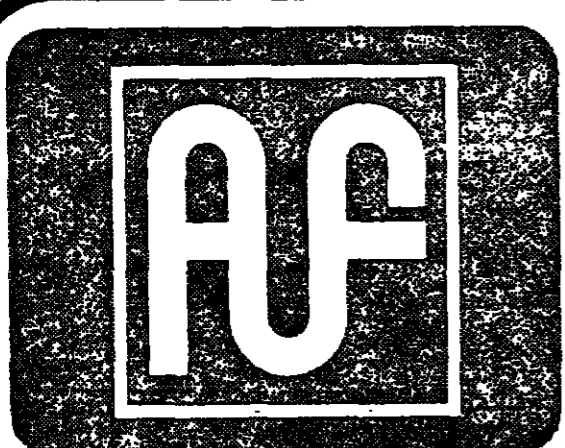
For small companies not geared towards the running of company cars, a simpler form of contract hire is offered. While enjoying such financial benefits as improved cash flow, recoverable VAT and rental charges allowed in full against tax, the customer can simply hire, over a fixed period of usually two or three years, the vehicle of his choice and return it to the supplier at the end of the contract.

Through these services, V.A.G. dealers are able to offer services to suit any kind of business user—from the big fleet operator to the partner in a small estate agency.

An increasing number of car users seek some form of breakdown insurance and A.U.F. offer, through V.A.G. dealers, the "After Care" insurance scheme.

The plan covers mechanical breakdown of a car caused by the failure of any part detailed in the contract. The extensive list includes such components as brakes, fuel systems, clutch, transmission and many of the engine parts.

"After Care" is available at the time the car is purchased and covers the car for unlimited mileage for up to two years. The scheme incorporates RAC membership during the first two years after purchase, hire charges for a replacement car and overnight accommodation if the car breaks down away from home.



## Finance for Your Fleet

The outstanding fleet cars and commercial vehicles in 1982 are Audi and Volkswagen.

The outstanding finance company to help buy or lease them is AUF—Auto Union Finance—the finance arm of the V.A.G. organisation.

And just as the Audi-Volkswagen range provides you with anything from the compact Volkswagen Polo all the way up to the sophisticated Audi Quattro, so AUF offers you the wide and flexible range of HP and leasing services that, as an efficiency-conscious fleet manager, you look for as part of your deal.

AUF offers other valuable services, too, like 'headache-reducing' mechanical breakdown insurance for up to an extra two years, maintenance agreements, and other services

designed to make fleet administration less of a hassle for the one who has to run it.

All these services are available now from more than 350 V.A.G. dealers throughout Britain.

Talk to your local dealer about them and about other AUF services being developed to make life a little easier for you.

Jon Tidman of AUF is also well worth talking to. Meet him on the main V.A.G. stand at the Fleet Motor Show, Wembley, on April 26. He will make you welcome.

In the meantime, call AUF on 0908 679121 for immediate service, or complete and return the coupon.

To: Auto Union Finance Limited, c/o V.A.G. (United Kingdom) Limited, Yeomans Drive, Blakelands, Milton Keynes MK14 5AN.

Please give me details of

Hire Purchase  Leasing   
 Lease Purchase  Maintenance   
 Mechanical Breakdown Insurance

Name \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 Postcode \_\_\_\_\_

Please return completed form to the address above.

# NEED A NEW PART? NEED A GOOD PRICE? NEED IT DONE QUICKLY? YOU NEED TO COME TO US.



V.A.G. Audi VW  
**WHO ELSE CAN GIVE YOU A GUARANTEED PRICE AND THE GENUINE PART.**

مكتبة الأصيل

# Facing the challenge of the eighties

The Eighties have brought the motor industry its greatest ever challenge in the shape of urgently sought-after improvements in vehicle efficiency and fuel economy.

Steep oil prices and continual supply uncertainty make a solution ever more pressing. Audi and Volkswagen, at least, have already faced up to the challenge with notable success.

For them sheer economy through efficiency was not enough. A long lasting solution meant new directions and two they chose to follow have sent the opposition back to the drawing board.

Trendsetters in the adoption of diesel engines for smaller cars and making diesel power a civilised alternative to petrol, they also developed a fuel-saving philosophy known, on the Volkswagen range as "Formel E" and also featured as standard on Audi models.

These are economy alternatives in addition to the recognised frugality of Audi and Volkswagen models achieved through technical advancement and sheet design efficiency, good aerodynamics and lightness of weight.

The "Formel E" version gives a driver the opportunity to make up to 30 per cent fuel consumption improvements on standard cars, while the diesel versions provide all the benefits of diesel economy and engine longevity without the social problems of noise, smell and roughness.

Other manufacturers are only now beginning to realise the full potential of all that Audi and Volkswagen have achieved with their energy conscious developments, and are busily attempting their own versions.

For Audi and Volkswagen it has meant enviable fuel consumption across a wide range of cars.

In "Formel E" — the "E" standing for energy conscious — the advanced measures vary from model to model, but covers the entire Volkswagen range from the new Polo to Passat and even the latest Scirocco. And Audi too provides certain facets of the concept on its cars, breaking new ground in offering luxury models that provide fuel savings.

Skilful engineering and painstaking development work, particularly in the wind tunnel, helped create the economy concept. Included in the fuel saving measures is a range of special features such as special aerodynamic aids, a stop start system which cuts out the engine completely in traffic as required by the driver, special high ratio gearboxes, electronic ignition a gearchange indicator and fuel consumption meter.

Fuel savings will average 25 per cent for most of the range without loss of performance. The "E" versions are comparable in this respect with their standard counterparts.

With both Audi and Volk-

wagen versions, the "E" concept has given family saloons an aerodynamic efficiency amongst the best on the road today and more usually associated with streamlined sports cars.

It's the fastidious attention to detail, so long a major factor in generating Audi and Volkswagen's reputation, that has made the "E" concept possible — things like front underbumper air dams, rear spoilers, windscreen pillar fairings and careful matching of engines and gearboxes.

Special economy gearboxes with higher gears to cut engine revolutions at cruising speeds and therefore fuel consumption as well as paired with engines capable of high economy without strain.

This also helps to prolong engine life even further.

To help a driver make the most of his fuel saving possibilities a gearchange indicator lights up when the engine reaches a level to accept the next gear up. Likewise the fuel consumption meter helps a driver cruise most economically at high speed. Just lifting his foot off the accelerator a fraction can make the difference between 25 mpg and 45 mpg on a steady run.

All Volkswagens, even the sporting Scirocco, feature some of the "Formel E" items, although there is an additional range of "Formel E" cars to the standard models. The Audi 80 and 100 saloon car ranges provide aerodynamic aids and gearchange indicators plus econometer versions of the fuel consumption meter. The four-seater Coupe also has these features.

While the basic idea of the "Formel E" concept is to com-

bine fuel economy with performance, the adoption of diesel power provides an altogether different approach.

A diesel engine is more economical than its petrol equivalent particularly at part load and has the added bonus of greater efficiency generating fewer pollutants.

In town use particularly a diesel engine shows a great improvement — the Volkswagen Golf, for instance, records over 40 mpg on the urban cycle, according to official Government figures.

Audi and Volkswagen, as leaders in the field of diesel engine cars, are putting increasing emphasis on these engines, building up a range of cars unparalleled in the industry. Already there is the Golf Diesel — best selling diesel car in the world — the Jetta and shortly the Passat Diesel — all with 1600cc engines. In the Audi range there is the 100 Diesel with its 2.0 litre engine.

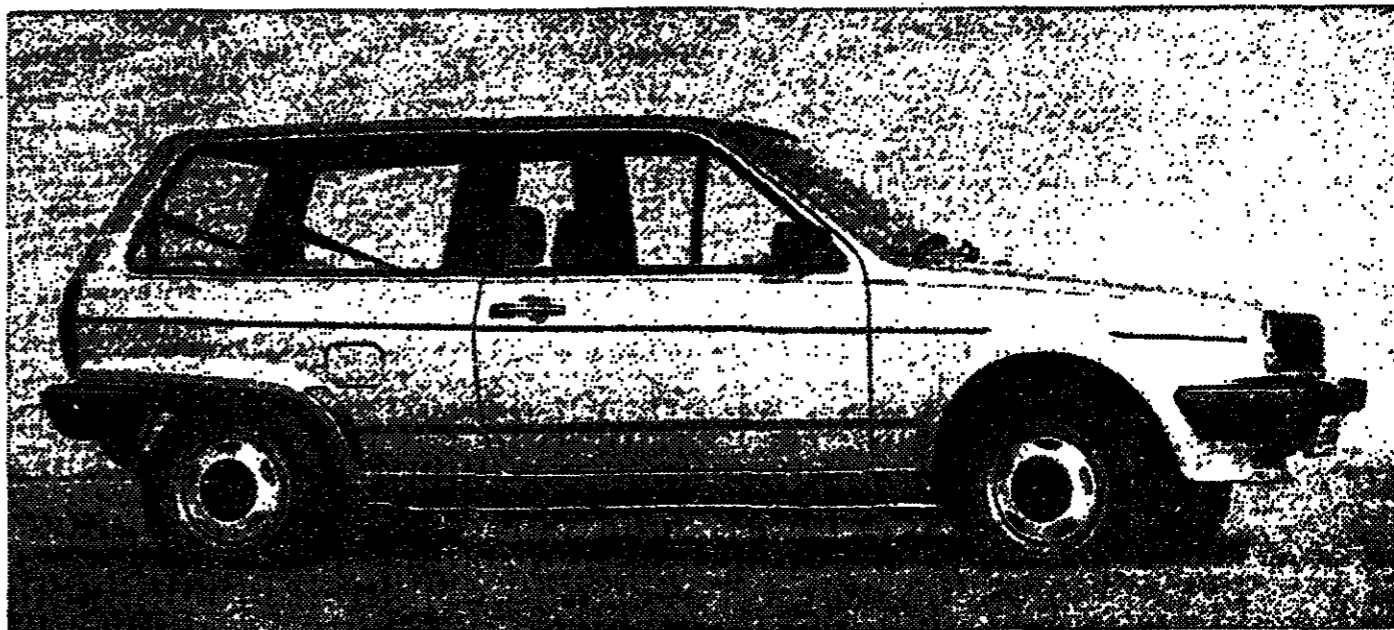
Taking both marques a step further ahead are their new turbocharged diesel units, based on the highly successful 1600cc engine but with greater power and therefore performance, which will be seen in the Golf and Audi 80 soon.

Economy is not the diesel's only advantage. A service life of at least double that of a conventional petrol engine is predicted. There is less to go wrong — no carburettor, spark plugs, no coil, distributor or condenser, and fewer servicing intervals.

For the high mileage business user the modern range of Volkswagen and Audi diesels and the "Formel E" range provide a very powerful opportunity to slash operating costs.



The new Volkswagen Passat is larger, more spacious, more refined and faster than its predecessor. Thanks to improved aerodynamics, fuel consumption is also improved. The Passat is available in saloon or estate versions with 1585 cc, 1921 cc 5 cylinder petrol or 1585 cc diesel engine options.



The new Volkswagen Polo is a spacious, refined and economical hatch-back. Available in four versions with three engine options, the Polo has an impressive 35.2 cu ft load space with the rear seat folded forward. The 1100 cc Polo GL illustrated can achieve 47.9 mpg at a constant 65 mph.

Other manufacturers are only now beginning to realise the full potential of all that Audi and Volkswagen have achieved with their energy conscious developments, and are busily attempting their own versions.

## The changing face of Audi

The debut of a sleek and stylish project car from Audi at the Frankfurt Motor Show last year highlighted the dramatically changing face of this forward-looking West German motor manufacturer.

Its technical advancements and superior aerodynamics — the project car boasts a very low and efficient drag coefficient of just 0.28 — point to a future of high quality luxury cars offering a real alternative for people needing larger cars yet desiring to retain the lowest possible running costs.

The Audi project car is a comfortable saloon offering adequate space for a family of five and their luggage, yet capable of over 56 mpg from its 1.6 litre engine. It was designed to demonstrate that advanced engineering can be employed to produce a car for the top end of the market but able to meet future demands of the environment.

Now, the project car may be looking ahead slightly, but not very far. It clearly illustrates all that Audi aims to achieve based on what they have already developed in their model range. And that current range is well established in its chosen market sector, even now offering style, quality, luxury and that all important economy.

with a choice of carburettor injection, fuel injection or fuel injection with turbocharging. There is also a conventional four-cylinder petrol engine in the 80 CL and 80 GL models and a highly acclaimed five-cylinder diesel unit.

Road and tyre noise are proven fatigue factors for both driver and passenger alike, so the floor of every Audi is now covered with a layer of bitumen, a layer of felt, a layer of dense matting and thick pile carpet, giving sound insulation equivalent to that of a six-inch brick wall. Also helping to reduce tiredness is a ventilation system that can change the air in the passenger compartment every 15 seconds.

Audi are equally obsessed with safety, incorporating in all models features specifically designed to help keep the car in control in the event of a tyre blow-out. This is due to the steering and suspension geometry which, coupled with front-wheel drive, help the driver pull up in a straight line when a tyre bursts. Also, all Audis are equipped with a diagonally linked dual-circuit braking system.

The recent arrival of the 80CD, a luxury, bigger-engined, version of the 80 saloon, marked a move further up the luxury

into the traditional high performance luxury car market that does not carry the familiar penalties of extra weight, extra fuel costs and extra maintenance. At a constant 56 mph, according to Government figures, the 200 Injection will achieve 30 mpg and the 200 Turbo 28 mpg. It has as standard virtually every luxury known to the motorist, plus a few.

With the announcement of the Coupe, Audi were again breaking new ground, but this time in the sporting sector of the luxury market, with an unashamed sports car still able to carry five people in comfort.

Its classic good looks emphasise the 113 mph top speed with acceleration to match, yet the Audi Coupe is capable of well over 30 mpg in everyday use, has a large 15.5 cubic foot boot and standard items of luxury like electric windows, central locking and a five-speed gearbox.

Combining the performance and smoothness of a six-cylinder engine with the frugality of a four, the five-cylinder engined Audi 100 provides luxury car qualities without unnecessary penalties. Throughout its life this model has remained a favourite with owners looking for large car comfort and economy.

It has more than enough room for five adults to sit in real comfort and a long list of luxury items as standard equipment which include front and rear seat belts, front and rear operated courtesy lights, adjustable head restraints, driver's seat high adjuster and fuel saving aids — the econometer and gearchange indicator. Central locking and electric windows are standard on most models.

An Audi Avant fastback version of the 100 provides estate car space with all the advantages of its saloon sister.

And, of course, there is the Quattro. No article about Audi can overlook this unique and technically advanced vehicle.

From its turbocharged 2.3 litre engine to permanent four-wheel-drive, purposeful appearance and superb handling, this is a car apart. The Quattro is the natural flagship of any fleet and it sums up Audi today — superb quality, technical advancement and a sure-footed conviction in their forward thinking policies. Audi represent tomorrow's direction today.

market for the Audi marque. Providing standard equipment like electric windows, and central locking, sunroof, five-speed gearbox and 3000 rpm assisted steering, the 80 CD offers a new high quality alternative for the person looking to buy a smaller vehicle while still retaining standards he is used to.

At the other end of the luxury market is the 200, first entrant



The successful Audi 80 range now includes a five cylinder 1921 cc engine in addition to the four cylinder CL and GL models. The Audi 80 CD illustrated produces 115 bhp and a high level of finish includes alloy wheels, electric windows, central locking and a sun-roof.

From the Audi 80 right up to the four-wheel-drive Audi Quattro — the emphasis on efficiency and economy has won Audi an enviable reputation for technical achievement and sheer practicality.

There are 12 cars in the 1982 Audi range and each offers features which challenge conventional motor car design, from the widely used five-cylinder engine to front-wheel-drive, four-wheel-drive and significant lightness without making any sacrifices in safety.

The five-cylinder engine has less weight and thrust than a six, but is just as smooth running and coupled in most of the range to a five-speed gearbox where top gear is equivalent to overdrive — makes further economy inevitable. Most petrol models are equipped with an econometer, which indicates when the car is running most efficiently. Engine life is also greater with lower revs controlled by the special gearbox.

In various models the five-cylinder engine is available



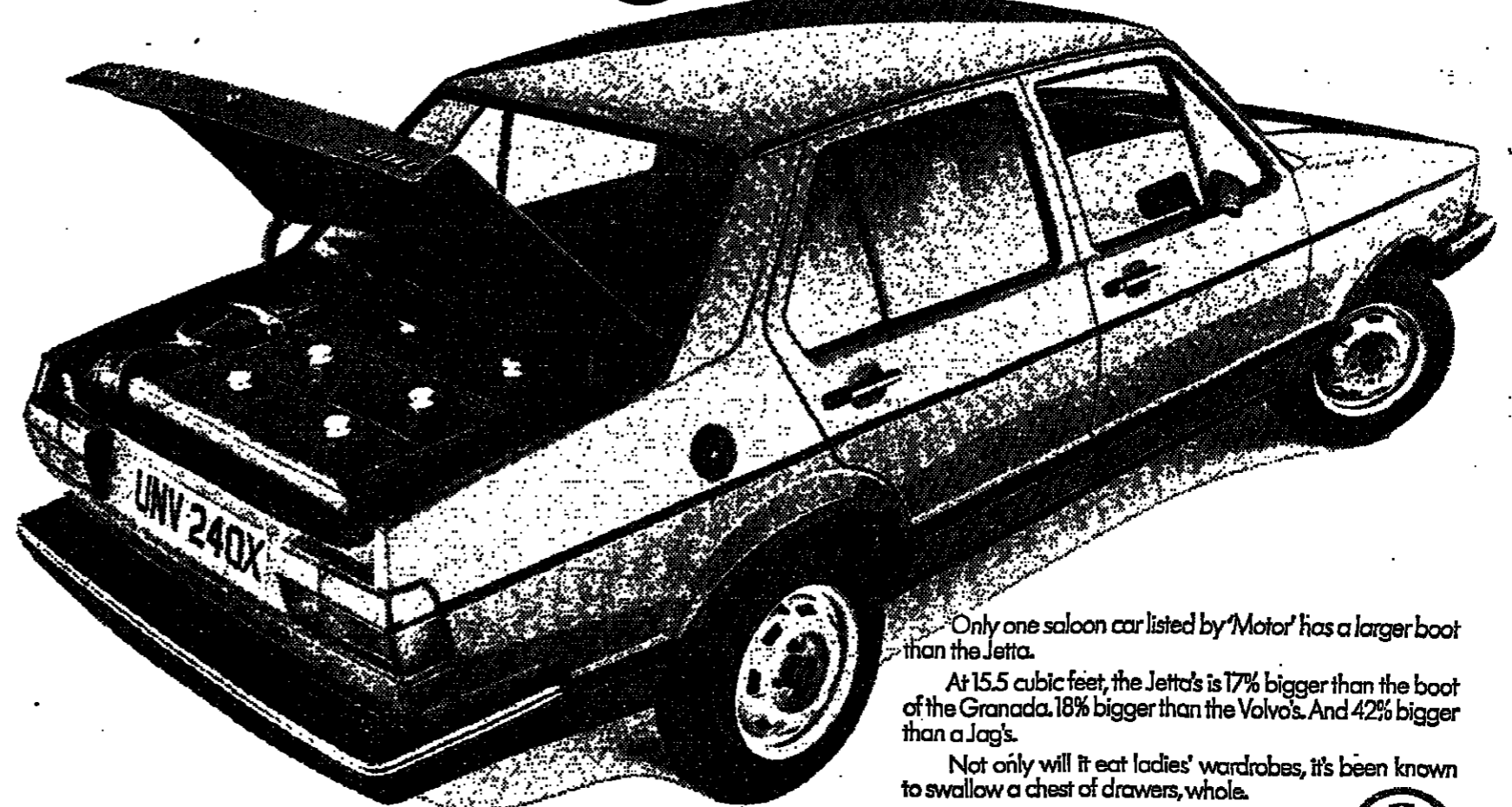
The revolutionary four-wheel drive Audi Quattro is powered by a 200 bhp turbo-charged 2.2 litre, five cylinder, fuel injected engine and reaches 0-60 mph in seven seconds.

# Sip, sip.



The Jetta is no big drinker. At a steady 56 mph, the 1500 will lap up 39 miles. The 1300 over 40 miles. And the Diesel will eke 53 miles out of every gallon. Nor when it comes to buying them one for the road will they take you for VSOP petrol. Like most Volkswagens, the Jetta makes do with the 2 star variety.

# Gobble, gobble.



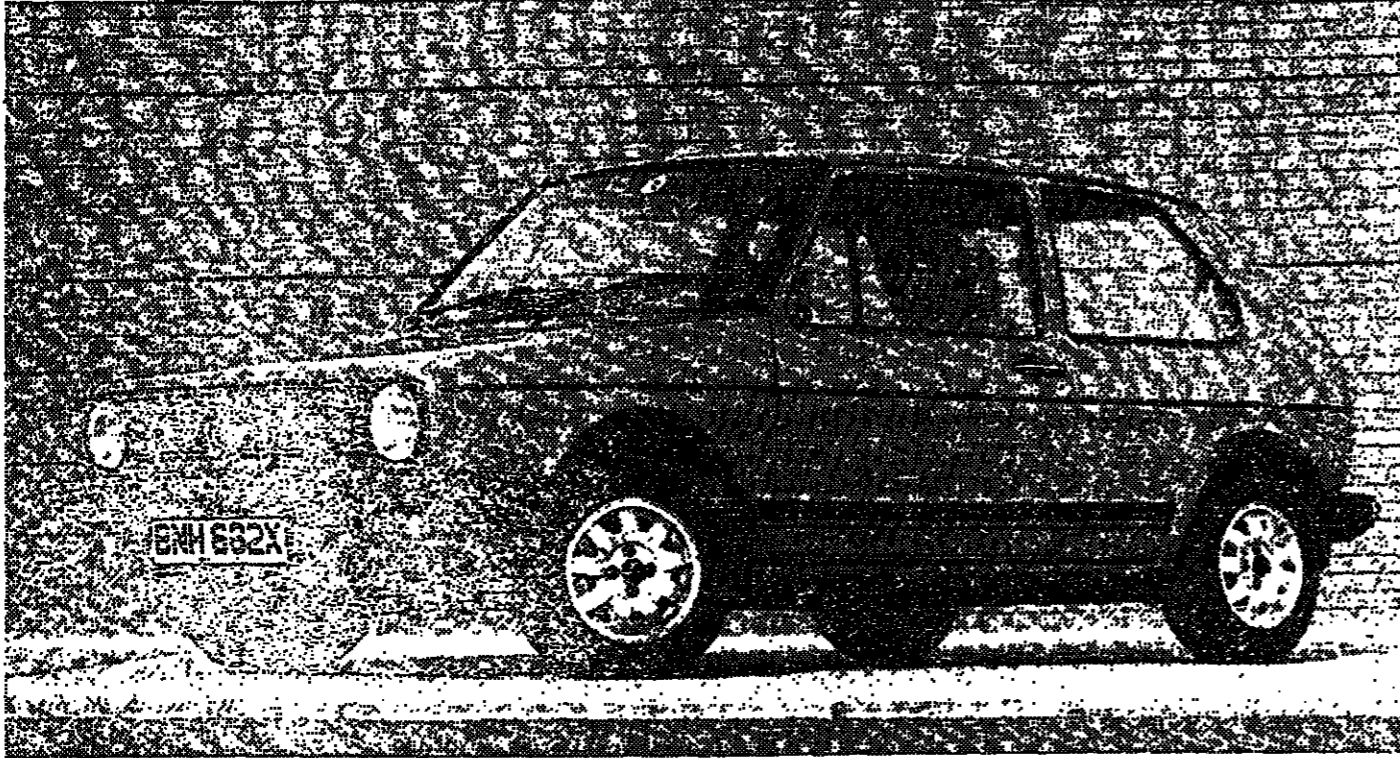
Only one saloon car listed by Motor has a larger boot than the Jetta. At 15.5 cubic feet, the Jetta's is 17% bigger than the boot of the Granada, 18% bigger than the Volvo's. And 42% bigger than a Jag's. Not only will it eat ladies' wardrobes, it's been known to swallow a chest of drawers, whole. Greedy, isn't it?



OFFICIAL FUEL CONSUMPTION FIGURES FOR THE 80CC, 817P, 249 MEG, 1051/100 KM, 419 MEG, 691/100 KM AT A CONSTANT 55 MPH. FOR THE 90CC, 817P, 249 MEG, 691/100 KM, 419 MEG, 691/100 KM, 419 MEG, 691/100 KM AT A CONSTANT 55 MPH. THE VOLKSWAGEN RANGE, JETTA, POLO, GOLF, PASSAT AND SCIROCCO, BROCHURES FROM SALES ENQUIRIES, V.A.G. (UNITED KINGDOM) LIMITED, YEOWING DRIVE, BLAKE AND, MIDON KEYNES MK44 5AN, TEL: (0908) 67761. EXPORT AND FLEET SALES, 65 BAKER STREET, LONDON W1M 0AB, TEL: 01-365 841.

Advertisement

# The world's top selling car



The Volkswagen Golf has firmly established itself in the major car markets of the world. The GTI version illustrated is powered by the 1600 cc 110 b.h.p. engine and reaches a top speed of 112 mph. Its success has prompted other manufacturers to introduce competitive models, but many motoring journalists use the GTI as a standard of excellence for comparison.

In just eight years the Volkswagen Golf has become not only the fastest selling Volkswagen in the company's history, but also the world's top selling car.

Over five million have now been built and production—in five countries—totals over 3,500 every working day.

The Volkswagen Golf is one of the most versatile cars in production anywhere and, with almost 137,000 sold in Britain so far, has proven popularity in this country as well.

The saloon version—the Jetta—has been particularly successful in the business market in Britain.

It has all the attractions of the Golf but with a classic three box body style in place of the hatchback.

A worthy successor to the legendary Beetle, which has a unique production record of over 20 million vehicles, but took 16 years to reach its own five million level, the Golf is not only built at Wolfsburg in

West Germany but also in Belgium, Mexico, South Africa and the United States.

The impressive range spans a wide selection from the basic 1100 cc Golf to the famed and much copied 112 mph fuel injected GTI; the world's top selling diesel car, a super economy 54 mpg "Formel E" version and even a four-seat Convertible. There is a choice of three or five doors plus a new 96 mph turbocharged-diesel Golf GTD.

Since its introduction in 1974, adaptability has always been one of the Golf's major strengths and it set standards for others to follow in road holding, handling, safety and economy.

Volkswagen design caters for ease of maintenance with a major service required only every 10,000 miles, or once a year for most drivers. Even then, recommended servicing for the first year takes just two hours. Many items including the gearbox, chassis, steering rack and door locks, require no

lubrication in their lifetime. An efficient and practical hatchback, the Golf even in basic form provides as standard such items of equipment as a laminated windscreen, reclining front seats and seat belts front and rear.

Its versatility is backed by a choice of engines in four capacities—1100 cc, 1300 cc, 1500 cc and the powerful 110 bhp fuel injected 1600 cc. There is also the 1600 cc diesel and now the turbocharged 1600 cc diesel unit.

All versions can be expected to give over 30 mpg in everyday driving as indicated by official Government figures, with the high economy "Formel E" version capable of up to 54.3 mpg at a constant 56 mph, 40.9 mpg on the simulated urban cycle and 39.8 mpg at 75 mph.

The Volkswagen Golf was launched in 1974, the third model in a new generation of VW cars which changed the face of the company's products. Following the history making success of the Beetle, its

replacement was a challenging task, but the Golf has more than met it and gone on to cut its own slice of history. Its success merely typifies a reputation built up by Volkswagen for reliability and quality, which has generated a whole new wave of popularity.

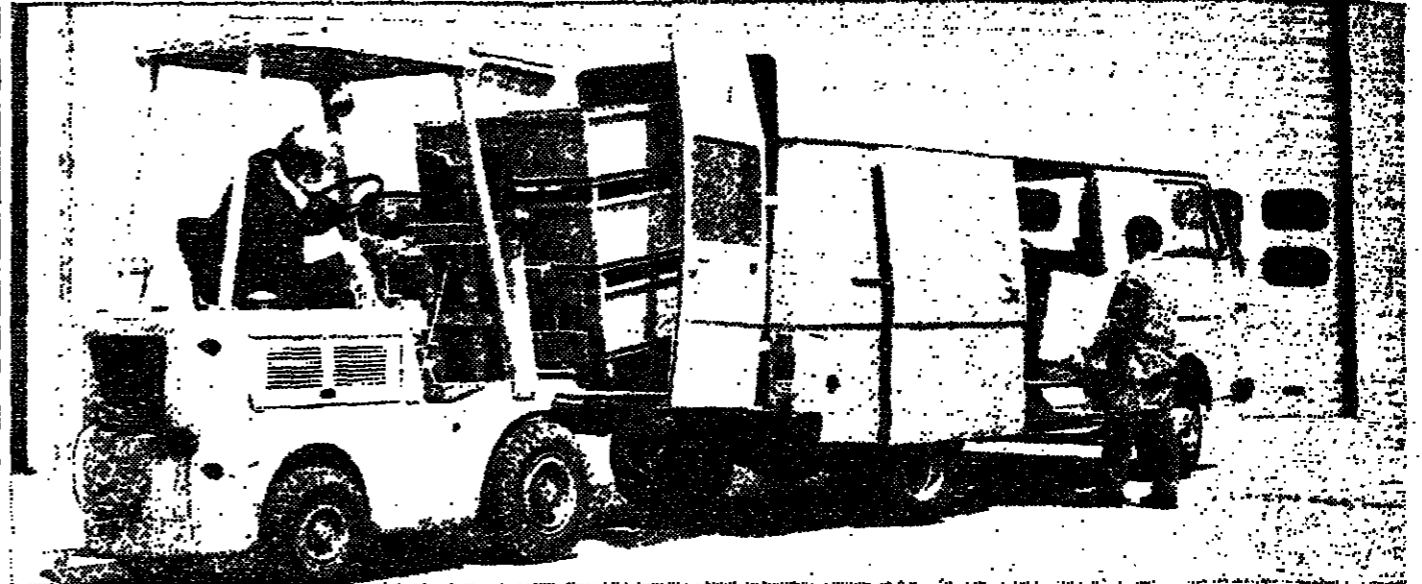


Or buy a Volkswagen...

# Volkswagen commercials



The Volkswagen eight-seater Microbus is based on the world's most successful commercial vehicle. Available in a choice of three power units, air-cooled 1.6 and 2.0 litre petrol or water cooled 1.6 diesel versions, the Transporter range has become a legend in its lifetime and continues to win sales in a highly competitive market.



One of the larger trucks in the range, is the LT40 which is powered by a 2.0 litre 75 bhp petrol engine. With the high roof, the LT40 offers almost 420 cu. ft. of load volume. The large, 180 degree opening full height, rear doors, as well as the sliding side door, give optimum loading versatility on to over 60 sq. feet of load area.

Volkswagen is a big name on the light commercial vehicle front with a large range of vehicles from the car-derived Golf van to the world's best-selling commercial—the Transporter—and the popular LT.

The advances in automobile technology made by Volkswagen since they introduced the Transporter model in 1950 have set the standard for light commercials.

The Transporter still has its engine mounted in the rear and

is now available with a choice of three power units—the air cooled 1.6 and 2.0 litre petrol units and a 1.6 water cooled diesel.

New style means a sloped windscreen giving a 21 per cent greater-visibility, new large exterior mirrors, a tailgate window almost doubled in size. Better economy is a result of reduced drag. Despite slightly increased wheelbase and class leading 35 foot turning circle, the Transporter's height has not been affected. A lower rear platform has improved loading

and increased volume over the engine compartment by 40 per cent.

A major factor in the Transporter's popularity is its versatility. The panel van will take up to 2380lbs load with the 2.0 litre engine, the pick up offers a 50.6 sq ft of unobstructed space with its drop side platform and the double cab pick up remains unique as a production vehicle.

And, of course, there is a range of 3 to 9 seater bus variations, again with the same engine platform has improved loading

with the 2.0 petrol unit.

The LT panel and high top van range offers even more space, from 377 cu ft for the standard panel van to a large, load swallowing, 420 cu ft with the biggest high roof version. The 2.0 litre petrol engine version is backed by a 2.7 litre diesel unit.

And to complete the light commercial range is the car derived Golf van, offered with either 1.1 litre petrol or 1.6 litre diesel engines and providing a useful 45 cu ft of load space.

Not long ago, we ran an advertisement very much like this one.

A Cortina Ghia 2.0 and an Audi 80GLS stood side by side and the headline said, 'One difference is 15p a gallon.'

We regret, the advertisement in question is now hopelessly out of date.

For one thing, rising fuel costs have widened the differentials considerably.

But, more significant, the Government figures quoted then have been supplemented by an independent road test conducted by 'What Car?'—and the results have made earlier claims for the Audi look conservative.

The 'What Car?' test compared a Cortina 2.0GL with an Audi 80GLS. (Badge spotters may notice that the 80GLS is now

referred to simply as the Audi 80GL)

The test showed an overall mpg figure of 34.6 for the 80GL against an overall figure of 27 mpg for the Cortina 2.0GL. That represents a difference of 22%.

Or 33p a gallon at today's prices.

So the Audi 80GL makes more economic sense the closer you look at it.

It's not an 'economy' car in the normal sense of the word. Electric windows and central locking are standard features not usually associated with economy cars.

But in its 5-speed box, fifth is an unusually high gear to keep the revs low. The result is unbelievably economical cruising, part of the reason for the impressive overall fuel consumption figures.

Fuel economy is becoming more important all the time. All the signs are that the price of a new litre will resemble the price of an old gallon even more closely in the future.

We hope that the Audi 80GL will become consolation.

**Audi 80GL**

# The difference is now 33p a gallon.



OFFICIAL FUEL CONSUMPTION FIGURES ARE: CONSTANT 56 MPH: AUDI 80GL—46.3 MPG (61.1/100 KM); FORD CORTINA 2.0—37.7 MPG (75.1/100 KM); CONSTANT 75 MPH: AUDI—35.3 MPG (80.1/100 KM); FORD—28.8 MPG (93.1/100 KM); URBAN CYCLE: AUDI—24.6 MPG (55.1/100 KM); FORD 25.4 MPG (57.1/100 KM). PETROL COST CALCULATED ON £2.50 PER GALLON. FOR MORE INFORMATION CONTACT: AUDI MARKETING DEPARTMENT, VAG (UNITED KINGDOM) LIMITED, YEOMANS DRIVE, BLAKELANDS, MILTON KEYNES MK14 5AN. FLEET, DIPLOMATIC, NATO & PERSONAL EXPORT SALES, 95 BAKER STREET, LONDON W1M 1FB. TEL: 01-486 8411.

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FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY
Telegrams: Finantimo, London PS4, Telex: 8954871
Telephone: 01-248 8000

Thursday April 22 1982

The lessons of Chevaline

THE Ministry of Defence has been severely criticised by the House of Commons' powerful Public Accounts Committee for serious errors in the management and cost-control of the controversial Chevaline nuclear warhead project...

Demand

The secrecy with which Chevaline was shrouded was a compound of the Ministry's traditional reluctance to reveal more than the bare minimum on anything, and the Labour Party's acute sensitivity on the general question of nuclear weapons...

Sensible

The Ministry seeks to lay the blame on the technological complexity of the project, on lack of confidence in it among some of the contractors, and on inadequate funding...

Spain's unruly soldiery

THE DANGERS to the democratic regime in Spain have been vividly illustrated by a series of recent events. This is a matter of concern throughout the West...

Careful

A few days before, an about-face in the Spanish high command showed how careful the Government feels it must be in its dealings with the military...

General De Santa Maria is the man who caused a furore in the current trial arising from last year's attempted military putsch when he accused the plotters of having acted like a bunch of hijackers...

The trial itself is further evidence of the Government's jid-glove approach to its soldiers. The defendants have at times behaved more like prosecutors...

The formation of a popular front Government of Socialists and Communists in the region of Asturias is another piece of the mosaic. It supports one of the three main complaints...

HONG KONG'S FUTURE

The creeping deadline for Britain's richest colony

By Alain Cass, Asia Editor

ONE of the ironies of the Falklands crisis is that a formula cited for peacefully resolving the dispute is the so-called 'Hong Kong solution'...

Britain would hand formal sovereignty of the islands (read Hong Kong) to Argentina (read China) in return for a lease to administer them for an agreed period...

The immediate problem arises from the fact that the lease signed by China and Britain in 1898 giving London the right to administer the New Territories—Hong Kong's hinterland...

What does 1997 mean to the people of Hong Kong? In a poll carried out recently by the Liberal-leaning Reform Club...

senior government figures may have had to suppress a degree of irritation that Peking is unlikely to enjoy hearing its intentions being constantly second-guessed...

Businessmen remain confident that secular political considerations will not be cramping their style for a few years yet, even if the future were to retain its present degree of uncertainty...

Mr Trevor Bedford, managing director of Jardine's sister property company, Hongkong Land, concurs. Land spent HK\$4.7bn (\$460m) earlier this year acquiring the prime 'Canning Two' site...

Tailour made When Major Ewen Southby-Tailour of the Royal Marines was stationed in the Falklands for a year recently he spent most of his spare time sailing...

Hard labour The international trade union federations are becoming less wordy and more relevant as the unions try to get a grip on multinational and reinforce their lobbying of the EEC and EFTA...

Country life It may be an exaggeration to claim that toxic metals like cadmium, zinc, and lead, could lengthen your life...

Man of letters Information technology minister Kenneth Baker is determined to keep alive the spirit of the political all-rounder—a Renaissance man at the top of the industry...

Country life It may be an exaggeration to claim that toxic metals like cadmium, zinc, and lead, could lengthen your life. But a paper in The Lancet comes within a whisker of suggesting just that...

That bus I must finish yesterday's story about the two Andorran gentlemen who borrowed a bus from the depot to drive themselves home after a night out...

There is nothing to talk about—needs to be squared with the clear British desire for a legal framework on which to base the colony's future...

China is not beyond interfering when it thinks its interests are at stake

South Atlantic and the latter over the issue of U.S. arms sales to Taiwan. This has given added piquancy to the lengthy process of informal negotiations...

When everything capitalist was a target for the radical Left, there was a tacit 'hands off' policy over Hong Kong as well as its Portuguese neighbour Macau...

Despite a lingering concern among some British officials and Hong Kong residents that another Left-wing take-over in Peking might provoke a change in Chinese policy...

The first is the question of finding a basis for talks. China's persistent refusal to recognise the treaties—and therefore that

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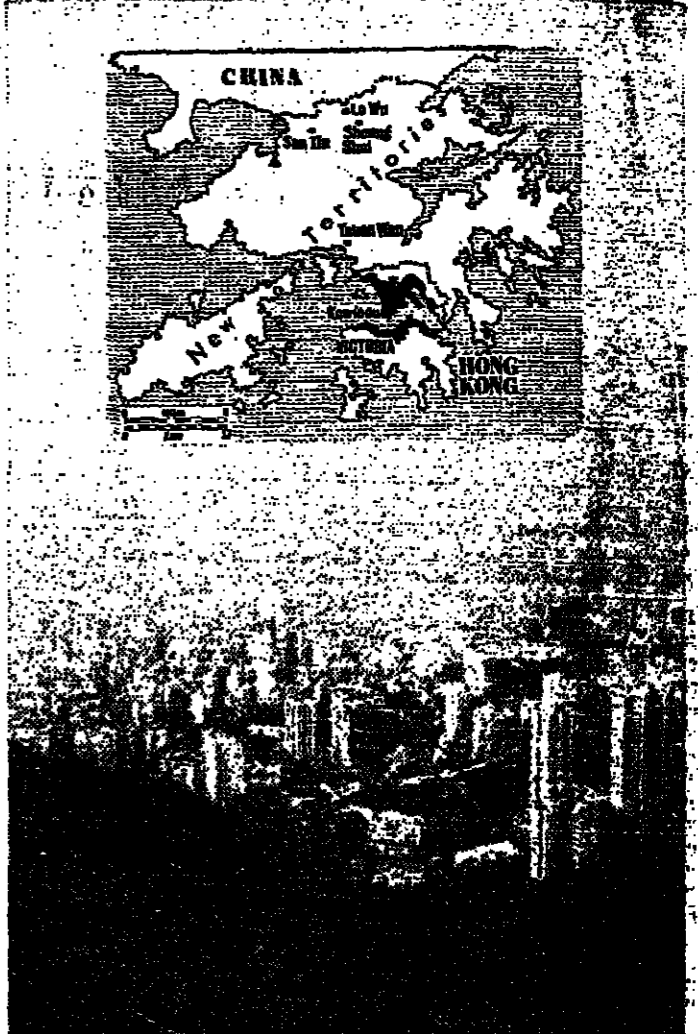
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assurances that Peking wishes to do nothing to shake investor confidence. Some Chinese officials see the developing Special Economic Zones in China's provinces adjoining Hong Kong merging imperceptibly with the New Territories...

'Still the best place in the world to make a dollar'

What does 1997 mean to the people of Hong Kong? In a poll carried out recently by the Liberal-leaning Reform Club, 9 per cent of respondents said spontaneously that it meant the expiry of the lease governing land north of Kowloon's Boundary Street...

imports from China worth HK\$29.5bn and supplied exports and re-exports to China totalling HK\$11bn. It is estimated to supply some 40 per cent of China's foreign exchange...

Men & Matters

Advertisement for Men & Matters featuring a cartoon of a man with a briefcase and various text columns including 'Tailour made', 'Hard labour', 'Country life', and 'Man of letters'.

Advertisement for Wholesale Warehouses Leases For Sale and To Let, listing various locations and sizes, and featuring the logo for DRIVERS JONAS.







Companies and Markets UK COMPANY NEWS

MINING NEWS

RMC falls £5m but raises payout

A DECREASE of £4.94m in pre-tax profits to £41.97m was shown by RMC Group for 1981 on higher turnover of £77.5m, against £73.14m. The final dividend has been lifted from 5.3p to 5.8p which raises the year's total from 9p to 9.5p.

"I don't think there will be any fresh diversification," said Mr Camden. "We are mainly looking at strengthening our existing business in the UK or overseas."

Danish Bacon turns in £580,000

SECOND HALF taxable profits of Danish Bacon rose from £108,000 to £248,000 in 1981 bringing the total for the year to £580,000, compared with losses of £298,000 in 1980.

Further \$37m loss for Inco in first quarter

BY KENNETH MARSTON, MINING EDITOR

NOT SURPRISINGLY in view of the continued depression in the nickel market the world's major producer of the metal, Canada's Inco, has made a further net loss of U.S.\$37.2m (£21.1m) or 59 cents per share in the first quarter of this year.

an improvement over those of the previous three months, but revenue was reduced by lower metal prices and increased costs.

Looking further ahead he said that the company might have to incur heavy spending over a five to six year period on new or modified smelting facilities at Sudbury, Ontario, in order to conform to possible future environmental requirements.

Cussins' profits are right on target

PRE-TAX PROFITS of Cussins Property Group climbed from £44,505 to £255m in 1981 and thus achieved the forecast of not less than £1.2m made at the time of the placing of 25 per cent of the group's shares in December 1981.

Shields comprising a 50,000 sq ft shopping centre with an estimated investment value of £3m.

First half setback at Wade Potteries

THE general lowering in demand referred to in its annual report, has hit Wade Potteries in the six months to January 31, 1982, with redundancies and short-time working in one form or another throughout the year.

Yearlings total £11.5m Yearling bonds totalling £11.5m at 13 1/2 per cent redeemable on April 27 1983 have been issued this week by the following local authorities.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are in interim or final and the sub-issues shown below are based mainly on last year's timetable.

Gold price hits Gencor mines

THE MARCH quarterly reports from the gold mines in South Africa's General Mining Union Corporation (Gencor) group broadly follow the trend set by the others which have already reported, with the principal factor affecting profits being the lower average gold price received.

West Rand Consolidated still derives some income from sales of uranium, but this was also sharply lower in the March quarter as sales occur irregularly, and these factors, combined with a lower contribution from the state aid scheme, pushed the mine into an overall net loss for the period.

overall in terms of the U.S. dollar, but the further weakness in the rand/dollar exchange rate cut the decline to 12 per cent in terms of rands.

"Good progress in a year of innovation." 1981 RESULTS: Revenue account transfer £6,129, 1980 £4,474; Investment Income £1,501, 1980 £1,608; Expenses and other items £85, 1980 £81; Taxation £501, 1980 £555; Dividends paid £3,744, 1980 £2,592.

CLIFFORD'S DAIRIES plc HIGHLIGHTS OF 1981: \*Pre-tax profit up 53% from £2.16 million to £3.3 million; \*Higher volumes in most areas of our business; \*Total dividend increased by 25% to 5p per share net.

RMC Preliminary Announcement Year ended 31st December 1981: Turnover 1981 777.8, 1980 735.1; Operating Profit United Kingdom 23.4, West Germany 12.8, Other countries 11.2; Earnings per share 26.9p, 1980 29.8p.

Companies and Markets

UK COMPANY NEWS

Harris Queensway surges ahead to top £10m mark

TAXABLE PROFITS of Harris Queensway Group, the retailer of carpets, furniture and D-I-Y goods, surged ahead from £6.45m to £10.46m for 1981, following the mid-year rise from £1.22m to £2.92m. Turnover for the 12 months climbed by £21.3m to £38.27m.

At the end of the year, net borrowings were lower at £5.9m, compared with £15.5m at the end of 1980. In February, £5m of medium term borrowings were repaid.

Presented with profits like these from Harris Queensway earlier predictions of 113p pre-tax for this year are now looking like minimum figures. With the benefit of last year's physical expansion, a turnaround at DIY, reduced interest costs and the fast rising Poundstretcher, HQ should be able to hit that target without any improvement in underlying trading.

Haden moves ahead £1.4m

AN INCREASE in taxable profits from £6.34m to £7.68m was shown by Haden, building services and metal finishing engineer, for 1981. Turnover improved by £19.38m to £245.53m.

There was a debit for minorities of £24,000 (credit £43,000). There was an extraordinary credit last time of £198,000.

Spear and Jackson makes some headway at year-end

SECOND HALF pre-tax profits of £54,000 against losses of £486,000 are reported by Spear and Jackson International, and figures for the 52 weeks to January 2 1982 improved from £328,000 to £384,000.

Looking ahead, Mr S. M. de Bartolome, the chairman, believes prospects for medium to longer term profit recovery are good.

Jackson but the group absorbed its French severance costs in the first half and a further downturn to mere break-even in the second six months, or thereabouts, is a combination of several other factors.

Druck joins USM

Druck Holdings is to make its debut on the Unlisted Securities Market next week. The company, which manufactures advanced technology measuring devices, is coming to the USM by way of a placing of 1.25m shares at 130p.

Dealings on the USM are expected to begin on Tuesday.

comment

The second hi-tech company to hit the market in two days, Druck bows in with a fully-taxed prospective p/e of more than 22 — 3 points higher than yesterday's Continental Microwave.

comment

Overseas, new work is still being won, including recent contracts in Europe, Australia, Hong Kong and the Middle East.

comment

PRE-TAX profits of E. Fogarty and Co. maker of continental quilts and soft furnishings, fell from £1.55m to £1.32m for 1981.

Fogarty down and warns on 1982

PRE-TAX profits of E. Fogarty and Co. maker of continental quilts and soft furnishings, fell from £1.55m to £1.32m for 1981.

comment

Stated earnings per 25p share were up from 6.5p to 7.1p. On a CCA basis, there was a pre-tax loss of £487,000 (£486,000).

comment

A £480,000 adverse pre-tax turnaround in France helps to explain another flat year at Spear and

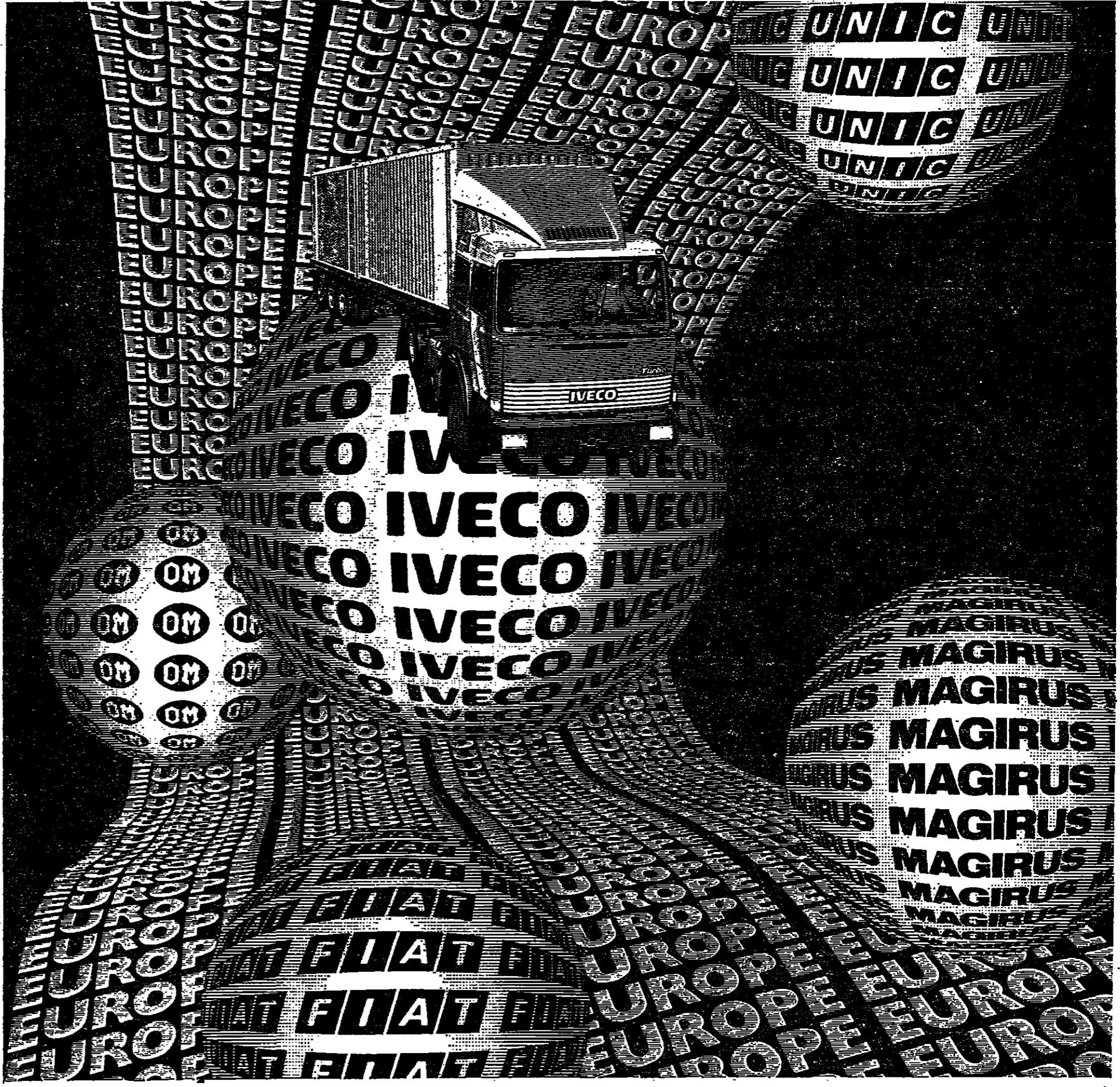
E. FOGARTY & CO. PLC

Table with financial data for E. Fogarty & Co. PLC for the year to 31st December 1981 and 1980. Columns include Sales, Profit before tax, Taxation, Profit after tax, etc.

CHAIRMAN'S STATEMENT Retail sales volumes continue depressed and the effect of this combined with the Company's destocking programme will mean that profits for the first half of 1982 will be very depressed.

Manufacturers of continental quilts, pillows, bath and scatter rugs, soft furnishings, processors of feather, down and man-made fibre fillings.

AMERICAN EXPRESS INTERNATIONAL FINANCE CORPORATION N.V. U.S. \$40,000,000 Guaranteed Floating Rate Notes Due 1982



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IVECO, A WORLD OF TRANSPORT

UK COMPANY NEWS

BIDS AND DEALS

Weeks grudgingly accepts Baldwin upheaval in wake of poll

BY RAY MAUGHAN
REPRESENTATIVES OF UK...
The board has also accepted...
Mr Thomas Patrick will not...

High hopes from York Trailer

FIRST QUARTER figures to be...
The company had swung back...
York had slashed its bank...

Costain cuts stake in Australian coal

Costain Australia Limited...
The other partner in the...
The purchaser is believed to...

Injection for Hallam Sleight

BY RAY MAUGHAN
THE TEAM which has already...
The incoming chairman...
The issue will raise a net...

London and Continental up to £318,095

Taxable profits of specialist...
The share fell 2p yesterday...
Revenue earned for ordinary...

LONDON TRADED OPTIONS

Table with columns: Option, Ext Price, Closing, Offer, Vol., etc. Lists various stock options and their market data.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., May, Last, Aug., Last, Nov., Last, Stock. Lists European options data.

Revenue down at Secs. Trust of Scotland

Revenue earned for ordinary...
The final dividend is raised...
Turnover improved from...

A & C Black recovers to £122,000

A TURNROUND from taxable...
The final dividend has been...
Turnover improved from...

PLATIGNUM

The recent rights issue by...
The recent rights issue by...

Announcing special sponsorship opportunities... European Open... SUNNINGDALE GOLF CLUB - ASCOT... Includes Gucci logo and contact info.

SHARE STAKES

Bestam Holdings - Johore...
Tribune Investment Trust...
Great Northern/BIT - Seven...

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production... OUTPUT—By market sector... EXTERNAL TRADE—Indices of export and import volume... INFLATION—Indices of earnings...

TOTAL VOLUME IN CONTRACTS: 5451

Not seasonally adjusted.







Republic Steel plunges into deficit

By Our New York Staff
REPUBLIC STEEL has reported a first quarter loss of \$28.5m, equal to \$1.76 a share...

More U.S. stockbrokers register profit reverses

BY RICHARD LAMBERT IN NEW YORK
TWO MORE big U.S. stockbroking firms report a steep decline in earnings following setbacks announced earlier this week by Merrill Lynch and Shearson/American Express.

More U.S. banks show increased earnings

By Our New York Staff
FURTHER gains in profits are reported by leading U.S. banks. Manufacturers Hanover, the fourth largest U.S. bank, lifted operating profits to \$62.5m or \$1.81 a share...

Sears Roebuck lifts first quarter income by 33%

BY DAVID LASCELLES IN NEW YORK
SEARS ROEBUCK, the U.S. major retailing and financial services group, reported yesterday that profits in the first quarter rose by one third. But most of the improvement came in its traditional merchandising business...

Commodore launches computers

BY LOUISE KEHOE IN SAN FRANCISCO
COMMODORE International of the U.S. is to introduce three personal computers priced well below competitive machines including those sold by Apple, Tandy and International Business Machines (IBM).

one that can be plugged into a television set for home computer use, another with its own video monitor which can display 80 columns of text, and a 16-bit machine for small business applications.

Gould set for record

By Our Financial Staff
RECORD EARNINGS are predicted for this year by Gould, the Illinois-based electronics company, according to Mr. W. T. Yivisaker, chairman and chief executive officer.

Further growth at GTE

BY OUR FINANCIAL STAFF
GENERAL TELEPHONE and Electronics (GTE), the U.S. communications and electrical group, raised its earnings in the first quarter to \$197.9m or \$1.14 a share from \$170.4m or \$1.10 a share. Revenues rose to \$2.9bn from \$2.57bn.

Special factors prop Uniroyal

By Our Financial Staff
UNIROYAL, the U.S. tyre and chemical group, reports a first quarter net operating profit of \$19.2m, or 68 cents a share, compared with \$7.3m, or 23 cents a share in 1981.

New Eurobonds in good demand

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT
FIXED INTEREST dollar Eurobonds edged quietly higher yesterday in trading marked by strong demand for the latest crop of new issues.

these issues failed to attract any other fixed rate borrowers into the market. New issue activity in the dollar sector was confined to floating rate notes.

\$200m Eurocredit for Turkey

TURKEY'S state-owned agricultural bank, T.C. Ziraat Bankasi, is raising a \$200m three-year revolving credit in the Euro-markets through a group of banks led by Arab Banking Corporation.

credit will be used to purchase agricultural products. This will also involve what bankers describe as a cash collateral account, effectively an account held at Arab Banking Corporation into which payment for the exports being financed by the credit will be channelled.

Agfa-Gevaert aims for the high technology market

WHICH OF its two world-class competitors—Japan's Fujii or Kodak of the U.S.—does Europe's photographic giant, Agfa-Gevaert, fear most? The short answer is neither. For, what is emerging as a determining new change in direction, Agfa-Gevaert sees its toughest competitors of the future among such companies as Xerox, Philips and Siemens.

Although it is now working to reduce silver use by one-third by 1985, Agfa-Gevaert's silver problems could be said to have proved a blessing in disguise.

Hoersch-Hoogovens, these are more than compensated for by what he calls "the second lease of life" that Bayer's takeover has given the company.

Agfa yesterday reported pre-tax profits of BFr 529m (\$117m) for 1981, against BFr 2.1bn in 1980 and a loss of BFr 1.3bn in 1979. But the company is optimistic about 1082 prospects Giles Merritt reports

Gevaert from being the somnolent giant of the photographic and reprographic business in Europe into a more forceful pioneer of the "imaging" revolution.

DM 400m to increase Agfa-Gevaert's capital. The immediate result of that has been a spurt in the company's new technology acquisitions and investment drive.

NORTH AMERICAN QUARTERLY RESULTS

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like American Electric Power, Amsted Industries, Archer Daniels Midland, Arvin Industries, Big Three Industries, Brockway Glass, Coleman Company, Consolidated Freightways, Cooper Industries, Archer Daniels Midland, Cox Broadcasting, Denison Mines, Dennison Manufacturing, Denny's Inc., and Carlsile Corporation.

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like Dravo Corporation, Lone Star Industries, Scott Paper, Timken Company, Mercantile Bankshares, Union Camp, Northrop Corp., Northon, and Public Service Elec. and Gas.

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like Swiss Franc Straights, Swiss Franc Straights, Swiss Franc Straights, Swiss Franc Straights, Swiss Franc Straights, Swiss Franc Straights, Swiss Franc Straights, Swiss Franc Straights, Swiss Franc Straights, Swiss Franc Straights.

Table with columns for company name, quarter, revenue, net profit, and net per share. Includes companies like Deutsche Mark Straights, Deutsche Mark Straights, Deutsche Mark Straights, Deutsche Mark Straights, Deutsche Mark Straights, Deutsche Mark Straights, Deutsche Mark Straights, Deutsche Mark Straights, Deutsche Mark Straights, Deutsche Mark Straights.



## Yoko Shibata on a troubled high technology banner carrier

# Gloom in Japan's audio industry

JAPAN'S once booming audio equipment industry is struggling to survive a deep recession. The slump is forcing manufacturers to cut down production at home and scale down operations overseas.

No other industry in Japan has suffered such an acute turn for the worse in the short space of six months. It has moved from being the thriving banner carrier of Japan's high electronics technologies to being designated by the government as a recession-hit industry.

The current audio recession has hit not only large integrated audio equipment makers but also medium and small sized specialised audio manufacturers. Lay-offs by the medium and small sized producers have become a grave concern for the government. The labour ministry has designated the industry as depressed, which could make it eligible for Government subsidies to maintain employment.

The industry performed reasonably well up to the middle of last year. Sales rose by 18.1 per cent to ¥21.2bn (U.S.\$2.4bn) in 1980, thanks to brisk exports, which advanced by 26 per cent to account for nearly 70 per cent of the total.

The slump came first in the U.S. market in the middle of last year under the impact of high U.S. interest rates and a prolonged recession. Demand in European markets was strong enough to compensate for the slackening in the U.S. but European sales began to level off last autumn. The companies tried to cover exchange losses caused by the yen's appreciation against European currencies by increasing selling prices, but this ran up against

weakened demand. The U.S. and European markets were generally thought to have reached saturation point.

The industry's plight had worsened further by the end of last year. Aiming at Christmas sales, the manufacturers stepped up production but their strategy backfired, leaving higher levels of inventories.

In order to trim down

**The slump in demand for audio equipment is forcing Japanese manufacturers to reduce production and scale down overseas operations. The impact of the recession on large integrated appliance manufacturers has been offset by healthy video tape recorder sales, but the effect on specialised companies has been painful**

excess inventories, mostly at overseas sales subsidiaries, a number of manufacturers have resorted to production cuts of 15 to 30 per cent since the beginning of this year.

Matsushita Electric Industrial, the giant of the audio industry, has cut audio equipment production, which accounted for 14 per cent of its total sales, by 15 per cent.

Sony, where audio product sales accounted for 24.6 per cent of total turnover has cut production by 20 per cent.

The impact of the audio recession on the large integrated electrical appliance makers appears to be slight, thanks to highly profitable video tape recorder (VTR) sales, but the downturn has been devastating for specialised audio equipment makers such as Pioneer, Trio-Kenwood, Akai, and Sansui.

Pioneer Electronics, the

biggest manufacturer of audio equipment has cut production by as much as 30 per cent in the January to May period and has been running at a loss.

Pioneer's worries were compounded by the launch of home video-disc players with an optical format. Sales have been disappointing. The start-up costs of the video system, including the full cost of

shouldering a venture in the U.S. following the withdrawal of its U.S. partners, MCA and IBM, have reached as much as ¥25bn, according to the company. These costs, will be bearable, thanks to a healthy balance sheet, with a shareholders' equity ratio of 75 per cent, but they still hurt.

Pioneer expects operating profits to fall by 25 per cent to ¥25bn in the current year to September, and sales by 5 per cent to ¥260bn. This will be the first setback for the company since it was listed on the Tokyo exchanges in 1961.

Dramatic inventory cuts have also been conducted by another specialised audio equipment maker, Trio-Kenwood. The company destroyed ¥900m worth of inventory in the U.S. to bring down stocks to one-third of the peak November-December level of six months' supply. With the costs of the disposal and a production cut of 30 per cent in the

March-May period, the company may omit the final dividend for the current year to May 30, for the first time in its history.

Akai Electric, is being helped through the slump by Mitsubishi Bank and Mitsubishi Electric. Mitsubishi Electric and Akai are planning to consolidate production of audio and VTR equipment to achieve better economies of scale.

Precision machinery manufacturers have also been hit by the audio equipment recession. Sanyo Seiki which has recently agreed to supply IBM with industrial robots to sell under IBM's brand names, has suffered from a slowdown in sales of micromotors and magnetic heads for audio equipment. Sanyo's operating profits are expected to fall by 35 per cent in the current year to September.

Canon Electronics also expects profits to level off in the current year to December, blaming deteriorating profitability on magnetic heads for audio equipment.

Some companies, Sony for one, believe the current recession to be a transition period, before the marketing of higher technology digital audio equipment begins this autumn. Demand for audio equipment could recover, they say, by the end of this year.

However, the dominant view is much more gloomy and some companies are trying to shift into more specialised audio products, such as car audio equipment which can expect brisk demand from overseas. For example, Victor Company of Japan (JVC) has returned to car equipment manufacturing after an absence of nine years.

### Comalco sees income drop for 1982

By Ian Perkin in Melbourne

COMALCO, Australia's second largest integrated aluminium group, expects another substantial profit setback this year after its A\$50m (U.S.\$52.6m) drop from A\$50.6m to A\$30.25m last year.

Mr John Ralph, the chairman, told the annual meeting here that first quarter indications were that "1982 profit will fall even below last year's figure."

He warned the Australian Government that the country's expansion-oriented aluminium smelting industry was losing its international competitiveness because of higher wage and other costs.

Mr Ralph also suggested that the major resource projects planned and under way in Australia could lose their attractiveness for foreign investors if the government could not bring costs under control and reduce inflation. His remarks confirmed the views of Australia's other two aluminium producers—the biggest, Alcoa of Australia, and the smallest, Alcan Australia.

Alcoa has already reported a 7 per cent drop in profit from A\$23.7m to A\$22m for the first quarter of this year.

### Increased earnings and dividend from Tongaat

BY THOMAS SPARKS IN JOHANNESBURG

TONGAAT GROUP, the diversified South African company with interests in sugar, building materials, food and textiles, increased its after-tax profit by 45.5 per cent to R41.5m (\$39.5m) in the year ended March 31, 1982. In the preceding year the after-tax profit was R28.5m. Pre-tax profit and turnover figures have still to be revealed as have the contributions of each of the group's divisions.

The management says that the textiles division is again likely to be the main contributor to profits. The building materials division was hampered by late deliveries of equipment and barely increased its after-tax profit. On the other hand, the sugar division benefited from good spring rains and the food and feeds division has reported increased earnings.

The group is in the process of merging with the sugar company, Huletts. It is planned that Huletts will offer 117 of its own shares for every 100 Tongaat. Full details of the proposals are to be given in June when Tongaat's annual report is due.

A total dividend of 50 cents has been declared from earnings of 159.4 cents a share. The year ended March 31, 1981 resulted in earnings of 101.2 cents a share and a total dividend of 33.6 cents.

ALTECH TECHNOLOGIES (Altech) the South African electronics and telecommunications company, has maintained its strong growth record in the year ended February 28, 1981. Pre-tax income rose by 66 per cent to R35.5m from R21.4m while turnover was 69.7 per cent ahead at R206.9m against R122m.

A large part of the turnover advance came from the 74 per cent owned subsidiary, Power Technologies, which increased turnover to R7.4m from R2.4m and pre-tax income to R7.54m from R1.7m.

During the period Powertech acquired Willard, a major manufacturer of lead acid batteries and half of Lascon which is said to be the southern hemisphere's largest specialised lighting manufacturer.

Altech has declared a dividend of 63 cents from earnings of 190.1 cents a share. In the previous year its dividend was 50 cents and earnings 145 cents a share. Powertech's dividend is unchanged at 2 cents as are earnings of 5 cents a share.

### Downturn in group profits at Itoh-Yokado

By Yoko Shibata in Tokyo

ITO-YOKADO, Japan's second largest supermarket chain store operator, and the leading earnings producer among Japanese retailers, has reported a consolidated net profit down by 10.5 per cent to ¥13.48bn (\$55.5m) for the year to February 1982, despite a 12.3 per cent rise in sales to ¥362bn.

The company has adopted the consolidated accounting system in compliance with auditing standards of the Securities Exchange Commission of the U.S. Profits per share declined to ¥63.32 from ¥73.34 in 1980-81.

The setback in earnings is blamed solely on the valuation loss on the company's overseas dollar-denominated liabilities.

Ito-Yokado expects an expansion in consolidated sales and earnings in the current year. Consolidated net profits are projected at ¥16.5bn, up by 22.4 per cent, on turnover of ¥950bn, up by 10.2 per cent.

Ito-Yokado's parent company improved operating profits by 7 per cent to ¥24.59bn in 1981-82 and net profits by 3.2 per cent to ¥12.09bn, on sales of ¥758.72bn, up by 10.3 per cent. Profits per share were ¥62.91, compared with ¥63.22.

**NIFCO INC.**

£12,000,000 6% Sterling Convertible Bonds due 1996

The Directors' Report and Accounts of the above-mentioned Company for the financial year ended 30th September, 1981 are available from—

Baring Brothers & Co., Limited, New Issues Department, 8 Bishopsgate, London, EC2N 4AE

Vickers & Coys Limited, Regis House, King William Street, London, EC4R 9AR

**Nordic-China lease deal**

BY COLINA MacDOUGALL

NORDIC LEASING, a subsidiary of the Nordic Bank, has signed the first London-based co-operation agreement with the China Leasing Company of Peking.

Under the agreement, Nordic Leasing will pursue business on CLCL's behalf in Europe. China is growing steadily more interested in leasing equipment rather than buying it outright.

Besides mutual leasing business, the agreement also covers the structuring of financial packages, the provision of leasing finance for importers from China and the supply of information on international financial markets.

CLCL is a joint venture equally owned by the Peking-based China State General Administration of Material Supplies and China International Trust and Investment Corporation (CITIC). The Nordic Bank has been co-operating with CITIC under an agreement signed in June 1981.

Nordic Bank says that the new offshore oil industry provides a number of opportunities for leasing finance. Where leasing values are high, they would be syndicated—as is the practice with large loans.

China is understood so far to have only a handful of other leasing agreements, including one other in Scandinavia and one in Japan.

This announcement appears as a matter of record only. April 1982.

## Hutchison Whampoa Limited and Harrison's (Clyde) Limited

are pleased to announce the formation in Hong Kong of a new joint venture shipping company

### Hutchison Harrison Shipping Limited

The new company will be owned as to 90 per cent by the Hutchison Group and 10 per cent by the Harrison's Group. Hutchison Harrison Limited, a Bermuda registered chartering company, has also been formed, which will be owned as to 50 per cent by the Hutchison Group and 50 per cent by the Harrison's Group.

The undersigned were responsible for introducing the two parties and assisted in the negotiations.

**Hambros Bank Limited** **Hambro Pacific Limited**

This announcement appears as a matter of record only. April 1982

**State of São Paulo**

**U.S. \$100,000,000 Medium Term Loan**

Guaranteed by

### The Federative Republic of Brazil

Lead Managed by

**Arab Banking Corporation (ABC)** **Banco do Estado de São Paulo S.A. - BANESPA**

**Gulf International Bank B.S.C.** **Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.)**

Co-Managed by

**Al Bahrain Arab African Bank (E.C.) "ALBAAB"** **Gulf Riyad Bank E.C.**

**UBAF Arab American Bank**

Provided by

**Arab Banking Corporation (ABC)** **Banco do Estado de São Paulo S.A. - BANESPA**

**Gulf International Bank B.S.C.** **Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.)**

**Al Bahrain Arab African Bank (E.C.) "ALBAAB"** **Gulf Riyad Bank E.C.**

**UBAF Arab American Bank** **Frab Bank (Middle-East) E.C.**

**Allied Arab Bank Limited** **Arab Latin American Bank - ARLABANK**

**Banco do Comercio e Industria de São Paulo S.A. (Cayman Islands Branch)** **Bank of Bahrain and Kuwait B.S.C.**

**The Gulf Bank K.S.C., Kuwait** **National Bank of Bahrain B.S.C.**

**United Gulf Bank, E.C. Manama, Bahrain**

Agent

**Gulf International Bank B.S.C.**

This announcement appears as a matter of record only. April 1982

**Banco del Estado de Chile**

**US \$130,000,000**

Term Loan

Lead Managed by

**Banque Européenne de Crédit (BEC)** **Crocker National Bank**

**First Chicago Panama S.A.** **First Interstate Bank of California**

**The Mitsubishi Bank, Limited** **The Mitsui Bank, Limited**

**The Mitsui Trust and Banking Company, Limited** **Orion Royal Bank Limited**

**The Tokai Bank, Limited** **Wells Fargo Bank, N.A.**

Managed by

**Banco de Colombia S.A. (Panama)** **The Bank of Yokohama Ltd.**

**The Kyowa Bank, Ltd.** **National Westminster Bank Group**

**Republic National Bank of New York** **Security Pacific Bank**

**Union Bank of Switzerland**

Provided by

**Banque Européenne de Crédit (BEC)** **Crocker National Bank**

**First Interstate Bank of California** **The First National Bank of Chicago**

**The Mitsubishi Bank, Limited** **The Mitsui Bank, Limited**

**The Mitsui Trust and Banking Company, Limited** **Orion Royal Bank Limited**

**The Tokai Bank, Limited** **Wells Fargo Bank, N.A.**

**Banco de Colombia S.A. (Panama)** **The Bank of Yokohama Ltd.**

**International Westminster Bank PLC** **The Kyowa Bank, Ltd.**

**Republic National Bank of New York** **Security Pacific Bank**

**Union Bank of Switzerland** **Banque Belge pour l'Industrie S.A.**

**The Chuo Trust and Banking Company, Limited** **Daiwa Europe N.V.**

**Eagle National Bank of Miami** **Harris Trust and Savings Bank**

**The Hokuriku Bank, Ltd.** **Japan International Bank Limited**

**Merchants National Bank & Trust Company of Indianapolis - Nassau Branch** **National Bank of North America**

**The Royal Bank of Canada (Barbados) Limited** **UBAN - Arab Japanese Finance Limited**

Joint Agents

**CROCKER BANK** **ORION ROYAL BANK LIMITED**  
Member of The Royal Bank of Canada Group

WORLD STOCK MARKETS

NEW YORK

Table of New York stock market data including various stock prices and indices.

Table of stock prices for various companies, including columns for stock name, price, and change.

Table of stock prices for various companies, including columns for stock name, price, and change.

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Early narrow gain for Dow

PRICES WERE narrowly higher this morning as the market awaited developments in Falklands crisis and in the White House-Congress Budget negotiations. The Dow Jones Industrial Average was up 3.43 at \$43.99 on volume of about 400 million shares. Advances headed off declines by six to five. The NYSE All Common index was up 5 cents at \$86.80. Lower inflation rate reports also encouraged the market. The Dow Jones Industrial Average was up 3.43 at \$43.99 on volume of about 400 million shares. Advances headed off declines by six to five. The NYSE All Common index was up 5 cents at \$86.80. Lower inflation rate reports also encouraged the market. The Dow Jones Industrial Average was up 3.43 at \$43.99 on volume of about 400 million shares. Advances headed off declines by six to five. The NYSE All Common index was up 5 cents at \$86.80. Lower inflation rate reports also encouraged the market.

Table of international stock market data including sections for Canada, Belgium, Holland, Australia, Japan, Denmark, France, Italy, Norway, Germany, Austria, and Switzerland.

Table of international stock market data including sections for Hong Kong, South Africa, and Japan.

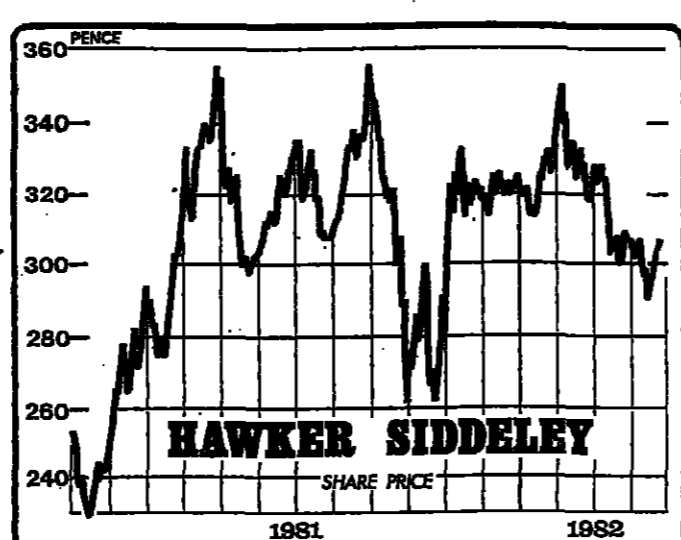
Notes and footnotes regarding the data presented in the tables.

Companies and Markets

LONDON STOCK EXCHANGE

Firmer trend continues as market pins hopes on a peaceful solution to Falkland Islands crisis

Account Dealing Dates... First Declara- Last Account... The Government's continuing moves to reach a peaceful solution...



touch below the best. RMC's preliminary profits exceeded market estimates and the shares touched 225p before closing a net 6 up at 226p...

308p. Trusthouse Forte firmed 4 to 130p and Ladbrooke hardened a couple of pence to 168p. Revived speculative interest helped Stakis to rise 3 to 70p, after 71p.

FINANCIAL TIMES STOCK INDICES table with columns for Government Secs, Fixed Interest, Industrial Ord., Gold Mines, etc., and rows for April 21, April 22, April 23, April 24, April 25, April 26, and a year ago.

HIGHS AND LOWS S.E. ACTIVITY table with columns for Stock, Closing price, Day's price change, and Day's price change %.

ICI touched 330p before drifting off to close just 2 dearer on balance at 324p ahead of today's annual meeting.

Harris Queensway up Recent strong support of Harris Queensway appeared to be fully justified when the company announced a 63 per cent leap in preliminary profits...

Selected Food issues made further progress. J. Sainsbury and British Sugar firming 15p to 605p and 465p respectively.

Motor sectors featured York Trailer which spurred to 20p before setting for a net gain of 3 to 19p.

Activity in Publishing continued towards secondary issues. A and C stepped up on a bid with a jump of 20 to 442p following the trend return to profits and the sharply increased final dividend.

RECENT ISSUES

Table of Recent Issues with columns for Issue price, Amount, Date, Stock, and Price.

Table of Fixed Interest Stocks with columns for Issue price, Amount, Date, Stock, and Price.

Table of Rights Offers with columns for Issue price, Amount, Date, Stock, and Price.

South African Golds moved ahead for the first time in five trading days in line with the firmer trend in the bullion price.

Table of Active Stocks with columns for Stock, Closing price, Day's price change, and Day's price change %.

Table of Rises and Falls Yesterday with columns for Stock, Rise/Fall, and Price.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table of FT-Actuaries Share Indices with columns for Equity Groups & Sub-sections, Wed April 21 1982, and Year ago.

Table of Fixed Interest with columns for Price Indices, Wed April 21, Day's change, and Year ago.

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service represent attained new Highs and Lows for 1982

Table of New Highs and Lows for 1982 with columns for Stock, High, and Low.

OPTIONS

First Last Last For Deal-Declar-Settle-ings ings tion ment April 5 April 26 July 15 July 26 April 26 May 7 July 29 Aug 9 May 10 May 21 Aug 12 Aug 23

APPPOINTMENTS

Senior post at IBM United Kingdom

Mr A. E. Cleaver has been appointed assistant general manager of IBM UK from May 1. Mr Cleaver returns from IBM Europe where he held the position of vice-president, marketing and services.

OPTIONS

First Last Last For Deal-Declar-Settle-ings ings tion ment April 5 April 26 July 15 July 26 April 26 May 7 July 29 Aug 9 May 10 May 21 Aug 12 Aug 23

Mr Graham Tunstall, export manager, has been appointed to the new position of director of export sales of TWYFORDS, a division of Reed Building Products.

Mr David King, a director of the Abbey Life Assurance Company, has been co-opted to the SCIENTIFIC EXPLORATION SOCIETY'S COUNCIL where he will be working with Lt Col J. N. Bishop...

Advertisement for Downtown Sophistication featuring Brickell Key. Text includes '2-minutes from downtown Miami is an exclusive condominium community on a small island in Biscayne Bay' and contact information for Brickell Key International Sales.

CURRENCIES and MONEY

Dollar and sterling steady

THE DOLLAR showed little overall change yesterday despite a softer trend in Euro-dollar rates while sterling awaited further developments in the Falklands crisis.

There was little change within the EMS yesterday with the Deutsche Mark remaining the strongest currency and the Belgian franc the weakest.

DOLLAR - Trade weighted index (Bank of England) 109.3 unchanged from Tuesday (109.3 six months ago). Three-month Treasury bills 12.24 per cent (12.94 per cent six months ago). Annual inflation 7.7 per cent (8.4 per cent previous month).

BEIGIAN FRANC - EMS member (weakest). Trade weighted index 92.9 against 94.8 on Tuesday and DM 4.3390 against DM 4.3424. The Swiss franc was slightly firmer however at DM 1.2811 from DM 1.2809.

STERLING - Trade weighted index 89.5 against 89.8 at noon. The dollar closed at DM 2.3960 from DM 2.3965 in terms of the Deutsche Mark and SwFr 1.9575 from SwFr 1.9480 in terms of the Swiss franc. It rose against the yen to Y242.25 from Y242.80.

ITALIAN LIRA - EMS member (second weakest). Trade weighted index 54.0 against 54.1 on Tuesday and 58.5 six months ago. Three-month Treasury bills 16.1 per cent (16.7 per cent six months ago). Annual inflation 11.2 per cent (11.5 per cent previous month).

FRANCE - Trade weighted index 122.1 against 122.1 at noon. The dollar closed at Sfr 2.2575 from Sfr 2.2575 at noon. The franc was weaker at Sfr 2.2575 from Sfr 2.2575 at noon. The franc was weaker at Sfr 2.2575 from Sfr 2.2575 at noon.

UK and Ireland are quoted in U.S. dollars. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

Table with columns: April 21, Day's spread, Close, One month, % Three months, % Six months. Lists various currencies like U.S., Canada, Netherlands, Belgium, Denmark, Ireland, Portugal, Spain, Norway, Italy, France, Sweden, Japan, Austria, Switzerland.

THE DOLLAR SPOT AND FORWARD

Table with columns: April 21, Day's spread, Close, One month, % Three months, % Six months. Lists various currencies like U.S., Canada, Netherlands, Belgium, Denmark, Ireland, Portugal, Spain, Norway, Italy, France, Sweden, Japan, Austria, Switzerland.

CURRENCY MOVEMENTS

Table with columns: April 21, Bank of England, Morgan Guaranty, % change from central rate, % change adjusted for divergence, Divergence limit %.

OTHER CURRENCIES

Table with columns: April 21, C, S, Note Rates. Lists currencies like Argentina, Australia, Brazil, Canada, Denmark, Finland, Greece, Hong Kong, Iran, Kuwait, Luxembourg, Malaysia, New Zealand, Saudi Arabia, Singapore, South Africa, U.A.E., Yugoslavia.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU central rates, Currency against ECU, % change from central rate, % change adjusted for divergence, Divergence limit %.

EXCHANGE CROSS RATES

Table with columns: April 21, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Australian Dollar.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 21)

Table with columns: 3 months U.S. dollars, 6 months U.S. dollars, bid 147.5, offer 15, bid 147.0, offer 15.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: April 21, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-Mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Krone.

MONEY MARKETS

London clearing bank base lending rate 13 per cent (since March 13). Interest rates declined in market; London money market trading. Hopes that the Falkland Islands dispute can still be settled without the use of force pushed the three-month interbank rate down to 12-13 1/2 per cent.

EUROCURRENCIES

Eurodollar interest rates eased in late European trading, after showing little change for most of the day. Eurosterling rates also declined towards the close on hopes that the Falkland Islands dispute can be settled without the use of force.

LONDON MONEY RATES

Table with columns: April 21, 1982, Certificate of deposit, interbank, Local Authority deposits, Local Authority negotiable bonds, Finance House Deposits, Company Deposits, Discount, Treasury Bills, Eligible Bank Bills, Fine Trade Bills.

MONEY RATES

Table with columns: NEW YORK, Prime rate, Fed funds (lunch-time), Treasury bills (13-week), Treasury bills (26-week), GERMANY, Special Lombard, Overnight rate, Three months, Six months, FRANCE, Intervention rate, Overnight rate, One month, Three months, Six months, JAPAN, Discount rate, Call (conditional), Call discount (three-month).

EUROCURRENCIES

Table with columns: April 21, 1982, Certificate of deposit, interbank, Local Authority deposits, Local Authority negotiable bonds, Finance House Deposits, Company Deposits, Discount, Treasury Bills, Eligible Bank Bills, Fine Trade Bills.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS. Large section listing various unit trusts and their managers, including Abbey Unit Trst. Managers, Affiliated Managers Ltd, Allinvest Unit Trst. Managers, and many others.

MONEY RATES

Table with columns: NEW YORK, Prime rate, Fed funds (lunch-time), Treasury bills (13-week), Treasury bills (26-week), GERMANY, Special Lombard, Overnight rate, Three months, Six months, FRANCE, Intervention rate, Overnight rate, One month, Three months, Six months, JAPAN, Discount rate, Call (conditional), Call discount (three-month).

MONEY RATES

Table with columns: April 21, 1982, Certificate of deposit, interbank, Local Authority deposits, Local Authority negotiable bonds, Finance House Deposits, Company Deposits, Discount, Treasury Bills, Eligible Bank Bills, Fine Trade Bills.

NOTES. Price in pence unless otherwise indicated. All rates are subject to change without notice. The information is provided for general information only and does not constitute an offer of any investment.



INSURANCES

Table listing various insurance companies and their products, including Abbey Life Assurance Co. Ltd., Aetna Life Insurance Co., and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table listing insurance and overseas managed funds, including companies like Legal & General, Phoenix Assurance Co. Ltd., and various international funds.

Table listing various financial services and companies, including Generali S.p.A., Guinness Mahon, and others.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas financial services and companies, including various international investment funds.

NOTES: Prices are in pence unless indicated and those designated 'S' with a prefix refer to U.S. dollars. Yield % shown in last column allows for all charges. A 'T' in the price column indicates that the price is based on the previous day's closing price. A 'D' in the price column indicates that the price is based on the previous day's closing price. A 'Y' in the price column indicates that the price is based on the previous day's closing price.

FT SHARE INFORMATION SERVICE

John Ford & Co Industrial Values

BRITISH FUNDS

Table of British Funds including 'Shorts' (Lives up to Five Years) and Five to Fifteen Years.

Over Fifteen Years

Table of Over Fifteen Years funds including Undated and Index-Linked & Variable Rate.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues.

CORPORATION LOANS

Table of Corporation Loans.

COMMONWEALTH AND AFRICAN LOANS

Table of Commonwealth and African Loans.

LOANS Public Board and Ind.

Table of Loans Public Board and Industrial.

A FINANCIAL TIMES MANAGEMENT REPORT

Consolidated Accounts in Europe

The E.E.C. Seventh Directive on Consolidated Accounts is so vital that finance directors and accountants should start thinking about it now. It will affect all limited companies within the E.E.C. that are members of groups.

Form for requesting consolidated accounts in Europe, including fields for Name, Company, Address, and Signature.

LOANS—Continued

Table of Loans—Continued.

FINANCIAL

Table of Financial instruments.

BUILDING SOCIETIES

Table of Building Societies.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails.

AMERICANS

Table of American stocks.

CANADIANS

Table of Canadian stocks.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase.

BANKS & H.P.—Cont.

Table of Banks & H.P.—Continued.

HIRE PURCHASE

Table of Hire Purchase.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads.

ELECTRICALS

Table of Electricals.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics.

ENGINEERING—Continued

Table of Engineering—Continued.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

Table of Hotels and Caterers.

INDUSTRIALS (Misc.)

Table of Industrials (Miscellaneous).

CHEMICALS, PLASTICS—Cont.

Table of Chemicals, Plastics—Continued.

ENGINEERING—Continued

Table of Engineering—Continued.

FOOD, GROCERIES—Cont.

Table of Food, Groceries—Continued.

HOTELS AND CATERERS

Table of Hotels and Caterers.

INDUSTRIALS (Misc.)

Table of Industrials (Miscellaneous).

DRAPERY AND STORES

Table of Drapery and Stores.

ELECTRICALS

Table of Electricals.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc.

ENGINEERING—Continued

Table of Engineering—Continued.

FOOD, GROCERIES—Cont.

Table of Food, Groceries—Continued.

HOTELS AND CATERERS

Table of Hotels and Caterers.

INDUSTRIALS (Misc.)

Table of Industrials (Miscellaneous).

DRAPERY AND STORES

Table of Drapery and Stores.

ELECTRICALS

Table of Electricals.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics.

ENGINEERING—Continued

Table of Engineering—Continued.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc.

HOTELS AND CATERERS

Table of Hotels and Caterers.

INDUSTRIALS (Misc.)

Table of Industrials (Miscellaneous).

INDUSTRIALS—Continued

Table of industrial stocks including Johnson & Johnson, Johnson Controls, Johnson Wax, etc.

LEISURE—Continued

Table of leisure stocks including British Airways, British Petroleum, etc.

PROPERTY—Continued

Table of property stocks including British Land, etc.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including British American, etc.

OIL AND GAS—Continued

Table of oil and gas stocks including British Petroleum, etc.

MINES—Continued

Table of mining stocks including Anglo American, etc.

INSURANCE

Table of insurance stocks including British American, etc.

LEISURE

Table of leisure stocks including British Airways, etc.

PROPERTY

Table of property stocks including British Land, etc.

INVESTMENT TRUSTS

Table of investment trusts including British American, etc.

OIL AND GAS

Table of oil and gas stocks including British Petroleum, etc.

MINES

Table of mining stocks including Anglo American, etc.



Here's the shortest vehicle leasing sell in a long time... Interleasing

Ministry attacked over Chevaline

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT THE INFLUENTIAL Commons Public Accounts Committee has strongly criticised the Defence Ministry's handling of Chevaline...

Rate of pay rises lowest in 4 years

BY DAVID MARSH GOVERNMENT HOPES OF a modest economic upturn, accompanied by lower inflation, were given a double boost yesterday...

U.S. still 'firmly in grip of recession'

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON THE U.S. recession persisted in the first quarter of the year, with gross national product falling at an annual rate of 3.9 per cent...

Falkland crisis moves into new phase

BY BRIDGET BLOOM THE Government is preparing for a new phase in the Falkland Islands crisis which could involve the use of force this weekend...

Lebanon Continued from Page 1

Syrian fighters were scrambled in an attempt to drive the Israelis off. The two shot down were over the Bekaa valley, in east Lebanon.

Opec Continued from Page 1

Opec's fragile pricing agreement. A number of traders and major oil companies have argued that Opec output would need to be cut to about 16m barrels a day before the surplus in the market would start to dry up.

Timex to sell computer in U.S. for \$100

By Richard Lambert in New York Timex Corporation, the U.S. watch and camera company, is to make and market a personal computer designed by Mr Clive Sinclair which, it says, will be the first in the U.S. to cost less than \$100.

The Timex Sinclair 1000, which will go on sale in July, will connect to any television screen and will offer the same features as the ZX81. However, it will be able to hold 2,000 bits of information, giving it twice the memory of the earlier product.

Weather

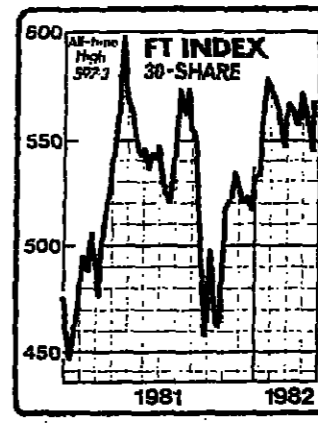
UK TODAY HIGH pressure over most areas. A weak trough of low pressure over Central Scotland will move slowly south-eastwards.

Table with columns: Worldwide, Y'day, Midday, Y'day. Lists cities and weather conditions.

THE LEX COLUMN

High quality at Hawker

The fall in profits at Hawker Siddeley's Canadian business—reported a month ago—had a sharp impact on the parent's share price. But in the event, the group's results have confounded some of the more nervous analysts.



Either Empire is in serious financial trouble, or—more likely—it has taken a strategic view on the future of the agency mail order business and decided that there is now little scope for a small company to prosper there.

Empire Stores

Empire Stores and Great Universal were engaged in Board meetings at either end of England yesterday. They proved so absorbing that neither Empire's figures nor a further statement on the two companies' talks saw the light of day during market hours.

Advertisement for Swindon Enterprise with text: 'How many places do you know where local industry leads the World?' and 'JOIN THE SWINDON ENTERPRISE'.